

Viewpoint

THE MAGAZINE FOR CHELSEA INVESTORS

ISSUE 42 OCTOBER 2016

Beyond Brexit:
outlook & opportunities

Investing in India

Can gold keep shining?

How investors can
win the US election

Welcome to Viewpoint

Welcome to our Autumn edition of Viewpoint.

As well as our regular features – Market view, EasyISA, Core Selection and Selection, to name a few – you'll find some relevant articles on ideas for where to put your money in today's investment climate.

We discuss investing in India and gold, and cover two politically-charged topics – Brexit and the US election.



"Learn about how to protect your portfolio when the market falls, in our Risk article on page 11."
Chairman, Chelsea

On the front cover

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Market view

So despite what the pundits, bookies and even Nigel Farage thought, Britain voted for Brexit. To most people's surprise, despite an initial wobble, markets have been remarkably resilient. The FTSE 100 is now up 13% for the year if you include dividends¹. Not bad – especially when you consider we were down around 10% the last time I wrote this piece in February².



The performance of equities before and after the Brexit vote is another reminder of just how dangerous it can be to time markets. That's why I continue to believe in investing in a diversified portfolio of different funds for the long term.

WHY ARE MARKETS UP?

The fall in the pound has been a big support to the UK stock market, particularly for many of the UK's largest companies, which get the majority of their profits from overseas. When these profits are translated back from dollars, euros or yen, they are now higher in sterling terms.

The fall in the pound has also made British assets cheaper to buy from the point of view of overseas investors. Japan's SoftBank recently completed the acquisition of ARM Holdings, the largest UK tech firm, for £24.3bn³ and there have been a number of other smaller deals as well.

Markets have also been supported by the Bank of England's cut in interest rates and expansion of quantitative easing (QE). This has been combined with relatively strong services and manufacturing data, which has shown that so far the economy has been relatively unaffected by Brexit fallout.

After such a strong run I would be minded to be a little more cautious now. We have yet to begin the formal Brexit process and there is still a great deal of uncertainty about how it will be resolved.

FIXED INCOME

We have been negative on bonds for some time and remain so. The whole fixed income market continues to be heavily distorted by central bank intervention in the form of QE. The European Central Bank, the Bank of England and the Bank of Japan continue to buy up government bonds, which drives prices higher and yields lower. A huge

amount of debt in issuance is now trading at negative yields, meaning effectively you're paying to lend money! Following the Bank of England's interest rate cut, 10-year UK government bonds are trading at a near record low yield of about 0.65%⁴. That doesn't seem like good value to me.

Finding a reasonable income is becoming harder and harder, but we have many funds on the Chelsea Selection that continue to yield above 4% (see pages 20-21).

PROPERTY AND THE SEARCH FOR YIELD

After the Brexit vote, a number of redemptions from large investors triggered a domino effect across physical UK commercial property funds, forcing many to suspend dealing in order to protect existing investors. Property is an illiquid asset class so it can take a while for funds to sell their buildings and convert them into cash. Since the vote, the sector has stabilised.* We continue to like property as a diversifier and arguably its income looks even more attractive given the cut in interest rates. Although many funds are suspended to buying or selling, they will continue to pay out their income.

OVERSEAS

The fall in the pound has been excellent news for sterling investors who hold funds that invest overseas. Brexit has been a great example of how investing outside the UK can diversify your portfolio from trouble at home. The average global emerging market fund is up 29% in sterling terms year-to-date⁵. The best market by far has been Brazil, which is up an astonishing 85% in sterling year-to-date⁶, despite a recession that has caused the country's economy to shrink 10% since 2014⁵. The market and currency have recovered on former president Dilma Rouseff's impeachment



"The fall in the pound has been excellent news for sterling investors who hold funds that invest overseas."

Managing Director, Chelsea

and the hopes that her successor, Michel Temer, will be able to implement the necessary reforms to turn the economy around.

In the US, the stock market keeps edging higher while the Federal Reserve has thus far postponed interest rate rises, although there is some expectation they may raise rates for the first time this year close to the election, in either September or December. In the meantime, electioneering itself has provided plenty of news flow from the US and one of our featured articles this edition looks at sectors that might stand to gain or lose in Clinton versus Trump scenarios (see page 23).

INVESTMENT OUTLOOK

We think European equities continue to look better value than US equities on valuation grounds. Europe has underperformed the US for a number of years now, but we expect this will change at some point. Global emerging markets remain relatively cheap, despite a strong run, and may well have further to go. We think some exposure to Asia is prudent for long-term investors, given the potential for the region, and India remains our preferred market (see page 26).

Diversification is more important than ever in the current environment and, to that end, we have recently added two infrastructure funds to the Chelsea Selection, both of which yield over 5%. We also have an article on gold on page 22 and we continue to like absolute return funds, which aim to produce a return in all market environments.

* The Threadneedle UK Property fund is due to re-open on the 26th September and we hope other funds will follow suit shortly.

¹ FE Analytics, FTSE 100, TR in GBP.

31/12/2015-06/09/2016. Data accessed 07/09/2016

² FE Analytics, FTSE 100, TR in GBP.

31/12/2015-11/02/2016. Data accessed 07/09/2016

³ <https://www.ft.com/content/235b1af4-4c7f-11e6-8172-e39ecd3b86fc>

⁴ Bloomberg data, accessed 07/09/2016

⁵ FE Analytics, IA Global Emerging Markets sector.

31/12/2015-06/09/2016. Data accessed 07/09/2016

⁶ FE Analytics, MSCI Brazil, TR in GBP.

31/12/2015-06/09/2016. Data accessed 07/09/2016



"Saving into an ISA is as simple as ever via the Chelsea FundStore."

Operations Director,
Chartered Financial Planner, Chelsea

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Complete the form
on page 29

JUNIOR ISA

The Junior ISA allowance for this tax year is £4,080. A child's parent or grandparent can start saving for their future now, with as little as £50. See page 10 for more details. And if you have a Child Trust Fund you would like to transfer to a Junior ISA, it couldn't be simpler – just complete the form on page 39.

WHAT IS THE CHELSEA FUNDSTORE?

FundStore combines Chelsea's reputation for outstanding service with Cofunds' administration systems. Chelsea and Cofunds are separate, regulated companies. Chelsea introduces you as a client to Cofunds, who have the systems and financial backing to safeguard and administer your investments.

IS THERE A DOWNSIDE?

You will not receive the annual reports from the underlying funds* and income payment dates will vary slightly from those of the underlying fund providers. You will need to complete a withdrawal form or send in a written instruction to sell your funds. Please note that this process can take 5-10 working days.

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- **ACCESS TO OVER 3,000 FUNDS**
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*Annual reports can be found on our website: chelseafs.co.uk/research/funds

INVESTING MADE EASY, WITH 0% INITIAL CHARGE:

the Chelsea EasyISA



"Don't forget to check the blue box below for any changes that may be relevant to your portfolio. Remember, we don't automatically make the changes for you"

Research Director, Chelsea

When it comes to considering funds for your ISA, the range is vast and the task of choosing just a few for your portfolio can be daunting.

That's why we've created the Chelsea EasyISA portfolios. All you have to do is choose one of the five options, based upon your own requirements and attitude to risk. Your ISA will then be spread equally across the corresponding six funds, within the Chelsea FundStore. These EasyISAs are simply suggested portfolios and, due to their exposure to equities, may be subject to volatility, and thus potential capital loss.

HOW MUCH CAN YOU INVEST?

The ISA allowance is £15,240 for the current tax year. Please note that the minimum lump sum payment is £50 into any EasyISA.

WHAT TO DO NEXT

1. Select the EasyISA which best suits you (and read the KIID* for each relevant fund)

(*see covering letter for details, or visit our website at chelseafs.co.uk)

2. Tick the relevant box on the ISA application form (page 29) and decide how much you want to invest

3. Complete the form and return with payment to us. Easy!

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...and click on 'Invest Now'

Send us a **form**
ISA - go to page 29

PORTFOLIO CHANGES

Cautious Growth EasyISA:
BlackRock UK Absolute Alpha replaces Henderson UK Property[†]

Income EasyISA:
Aviva Investors Multi-Strategy Target Income replaces Henderson UK Property[†]

[†] Please see p.27 for more details

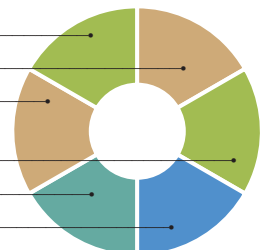
Cautious Growth EasyISA

Cautious Growth is for the more risk-averse investor who is looking for growth with lower volatility. The portfolio has approximately one third invested in predominantly large-cap equities. Approximately one third will be invested in fixed interest, which tends to be less volatile than equities. The final third of the portfolio comprises targeted absolute return funds that should produce uncorrelated returns. N.B. this portfolio contains up to 40% equity exposure, so may be subject to greater volatility than the term Cautious may suggest and there is potential for capital loss.

AVERAGE ANNUAL MANAGEMENT CHARGE	0.68%*#
AVERAGE ONGOING CHARGES FIGURE (OCF)	0.81% [†]
BENCHMARK	1/3 STRATEGIC BOND (SECTOR AVERAGE) 2/3 MIXED INVESTMENT 20-60% (SECTOR AVERAGE)

FE Analytics data as of 01/09/2016, compiled by Chelsea. *A performance fee may be applied, see page 17 for details. **Sector average

BlackRock UK Absolute Alpha
Jupiter Strategic Bond
Man GLG Strategic Bond
Old Mutual Global Equity Absolute Return Hedged*
Rathbone Global Opportunities
Woodford Equity Income



	CAUTIOUS GROWTH PORTFOLIO	BENCHMARK	MIXED INVESTMENTS 20-60% SHARES**
PERFORMANCE OVER 1 YEAR	5.66%	8.90%	9.88%
PERFORMANCE OVER 3 YEARS	20.94%	17.50%	18.53%
PERFORMANCE OVER 5 YEARS	43.92%	34.97%	36.43%

[†] OCF: The cost includes the annual management charge and other fees such as registration, regulatory, audit and legal fees but does not include transaction costs and performance fees.

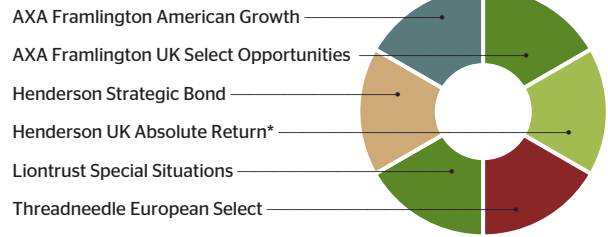
The annual management charge is paid to a fund management company for managing the fund. It is calculated as a percentage of the value of the fund. The annual management charge is less than the Ongoing Charges Figure (OCF).

Balanced Growth EasyISA

Balanced Growth offers a medium level of risk and is for investors looking to benefit from global equity markets, with some defensiveness offered through one sixth of the portfolio being invested in fixed interest and one sixth in targeted absolute return. The portfolio has the majority of its assets invested in equities based in developed markets (up to a maximum of 70% in equities), and so there is the potential for capital loss. The fixed interest portion is invested in a strategic bond fund which has the ability to invest across the credit quality spectrum.

AVERAGE ANNUAL MANAGEMENT CHARGE	0.77%*#
AVERAGE ONGOING CHARGES FIGURE (OCF)	0.85%†
BENCHMARK	1/3 UK ALL COMPANIES (SECTOR AVERAGE) 1/3 GLOBAL (SECTOR AVERAGE) 1/3 MIXED INVESTMENT 20-60% (SECTOR AVERAGE)

FE Analytics data as of 01/09/2016, compiled by Chelsea. *A performance fee may be applied, see page 17 for details. **Sector average



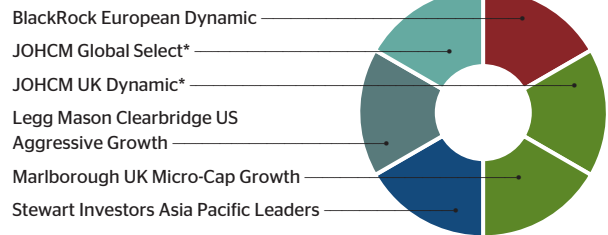
	BALANCED GROWTH PORTFOLIO	BENCHMARK	MIXED INVESTMENTS 40-85% SHARES**
PERFORMANCE OVER 1 YEAR	12.67%	12.50%	12.38%
PERFORMANCE OVER 3 YEARS	29.95%	23.51%	22.84%
PERFORMANCE OVER 5 YEARS	64.53%	55.65%	48.84%

Aggressive Growth EasyISA

Aggressive Growth is for the investor looking for pure capital growth, who is comfortable with a higher degree of risk and willing to invest a portion in Asian and emerging market equities. The portfolio is an unconstrained global equity portfolio, with exposure to large, mid and small-cap companies. It has the potential to produce greater returns through investing in faster-growing regions and more dynamic companies, but with a greater degree of risk and volatility. This portfolio can hold up to 100% in equities so there is the potential for capital loss.

AVERAGE ANNUAL MANAGEMENT CHARGE	0.73%#
AVERAGE ONGOING CHARGES FIGURE (OCF)	0.88%†
BENCHMARK	MSCI WORLD INDEX

FE Analytics data as of 01/09/2016, compiled by Chelsea. *A performance fee may be applied, see pages 12 and 16 for details. **Sector average



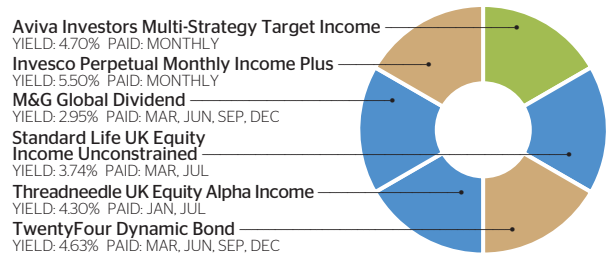
	AGGRESSIVE GROWTH PORTFOLIO	BENCHMARK	GLOBAL RETAIL**
PERFORMANCE OVER 1 YEAR	18.24%	26.67%	20.43%
PERFORMANCE OVER 3 YEARS	34.64%	44.40%	33.44%
PERFORMANCE OVER 5 YEARS	73.15%	93.12%	67.911%

Income EasyISA

Income is for investors looking to generate income, with some prospect for capital growth. The portfolio is invested in fixed interest, across the credit quality spectrum, and defensive, dividend-paying companies, based largely in developed markets. There is also one sixth invested in absolute return to further diversify the income stream. This combination aims to maintain, and even potentially grow, capital over the long term, whilst paying dividends throughout the year. The portfolio has approximately 50% exposure to equities, at the time of writing, so there is the potential for capital loss.

AVERAGE ANNUAL MANAGEMENT CHARGE	0.78%#
AVERAGE ONGOING CHARGES FIGURE (OCF)	0.88%†
BENCHMARK	1/2 STRATEGIC BOND (SECTOR AVERAGE) 1/2 UK EQUITY INCOME (SECTOR AVERAGE)

FE Analytics data as of 01/09/2016, compiled by Chelsea. **Sector average



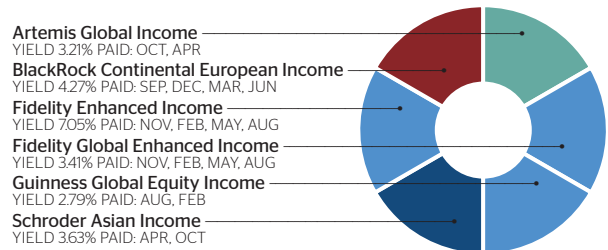
	INCOME PORTFOLIO	BENCHMARK	MIXED INVESTMENTS 20-60% SHARES**
PERFORMANCE OVER 1 YEAR	7.09%	8.70%	9.88%
PERFORMANCE OVER 3 YEARS	17.70%	20.09%	18.53%
PERFORMANCE OVER 5 YEARS	51.34%	52.01%	36.43%
AVERAGE YIELD FOR THE PORTFOLIO	4.30%	-	-

Global Income EasyISA

Global Income offers investors a medium to high level of risk within a globally-diversified portfolio and these equity income funds are selected for their potential to grow their yields over time. Over 50% of the portfolio is invested in US and European equities, with approximately 15% in UK equities. The remainder is invested across other regions, such as Asia, emerging markets and Japan. This portfolio can hold up to 100% in equities so there is the potential for capital loss.

AVERAGE ANNUAL MANAGEMENT CHARGE	0.75%#
AVERAGE ONGOING CHARGES FIGURE (OCF)	0.94%†
BENCHMARK	GLOBAL EQUITY INCOME

FE Analytics data as of 01/09/2016, compiled by Chelsea. **Sector average



	GLOBAL INCOME PORTFOLIO	BENCHMARK	GLOBAL RETAIL**
PERFORMANCE OVER 1 YEAR	22.41%	20.95%	20.43%
PERFORMANCE OVER 3 YEARS	36.14%	34.10%	33.44%
PERFORMANCE OVER 5 YEARS	N/A	N/A	N/A
AVERAGE YIELD FOR THE PORTFOLIO	4.24%	-	-

† OCF: The cost includes the annual management charge and other fees such as registration, regulatory, audit and legal fees but does not include transaction costs and performance fees.

The annual management charge is paid to a fund management company for managing the fund. It is calculated as a percentage of the value of the fund. The annual management charge is less than the Ongoing Charges Figure (OCF).

These portfolios do not include cash allocations

Boost your state pension, before it's too late!

This year saw the introduction of the single-tiered pension system. Retirees eligible for the new State Pension will now receive a maximum weekly payment of £155.65¹. It might cover the basics, but if you're hoping for a more comfortable lifestyle when you reach retirement, you may want to start saving extra today. Chelsea can help.

WHO CAN INVEST?

You, or any third party individual, can invest into your pension. What's more, if the contribution is not made by your employer, 20% tax relief will be added to your portfolio. That means, if £800 is invested, the government will automatically add £200, saving £1,000 towards your retirement. Better still, if you are a higher-rate or additional-rate tax payer you can claim the further tax relief through self assessment. Please be aware your initial investment must be a minimum of £5,000 (see chelseafs.co.uk/product/pension for more information).

CHELSEA EASYSIPP

Similar to the popular and successful EasyISAs are our EasySIPP portfolios. All you need to do is choose one, based on your own requirements and attitude to risk, and your investments will be spread across the corresponding funds, within Chelsea FundStore.

As with the EasyISAs, any changes that

are made to the portfolios are not automatically updated on your account. Please check the "portfolio changes" box below for changes you may like to make. Chelsea does not offer investment advice so if you are unsure of anything you should seek expert advice.

Alison Osmani, Watford: "I recently transferred several different pension pots into one, more lucrative fund with the tremendous help of Chelsea Financial. They made it incredibly easy, explaining everything in simple terms for me and completing all the necessary paperwork with absolutely no fuss! And my pension fund with Chelsea has been doing considerably better ever since swapping over! What's not to like?! Huge gratitude."

CONSOLIDATE TODAY

If, like Mrs Osmani, you are struggling with different charges, investment selections and mountains of paperwork, why not consolidate them with Chelsea?*



"Simply complete and return the form below to open a pension."

Operations Consultant, Chelsea

WHY USE THE CHELSEA SIPP?

- Competitive platform and service charges
- 0% set-up charge
- Free transfers in – consolidate and manage your schemes in one place
- Help with exit charges, when moving to Chelsea
- Free switching and telephone dealing
- 20% tax relief automatically reclaimed for you
- Access to 25% tax-free cash from 55
- 0% charge for processing probate
- Personal pensions administrator to help you along the way

PORTFOLIO CHANGES

Cautious: Henderson

UK Absolute Return replaces Henderson UK Property[‡]

Fidelity Strategic Bond replaces Man GLG Strategic Bond.

Aviva Investors Multi-Strategy replaces BNY Mellon Absolute Return Equity.

Balanced: VT UK Infrastructure replaces Henderson UK Property[‡]

JPM Global Macro Opportunities replaces BNY Mellon Absolute Return Equity.

BlackRock European Absolute Alpha replaces Man GLG Strategic Bond.

Mitton US Opportunities replaces Legg Mason US ClearBridge Aggressive Growth.

Aggressive: BlackRock UK Absolute Alpha replaces Henderson UK Property[‡]

Fidelity American Special Situations replaces Legg Mason US.

Fundsmith Equity replaces 5% of AXA Framlington UK Select Opportunities and 5% of Old Mutual Global Emerging Absolute Return weight.

SPECIAL OFFER – If you would like to learn more about your retirement options, take a look at the Retirement Income Alliance (www.riainone.co.uk). As a client of Chelsea, you can enjoy 25% off the joining fee.** Simply email us at info@chelseafs.co.uk for your discount code.

¹New State Pension, details correct as of 13/09/2016. More info: www.gov.uk/new-state-pension

[‡]Please see p27 for more details

** Offer can be withdrawn at any time.

Complete and return this form to open a pension. Alternatively, complete our online questionnaire at www.chelseafs.co.uk/products/pension/questionnaire/

YOUR DETAILS

Name: _____

Address: _____

Email address: _____ Telephone: _____

National Insurance number: _____ Date of birth: _____

Contributions: Lump sum personal contribution Regular personal contribution Employer contribution Contribution for someone else

Transferring to Chelsea: How many schemes do you want to transfer? _____ Please be aware that we cannot transfer defined benefit schemes

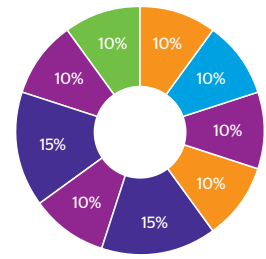
Do you want to go into drawdown in the future? No Yes

Cautious Growth EasySIPP

The Cautious Growth EasySIPP offers diversification via equities, bonds, property and targeted absolute return funds. This diversification should offer the cautious investor lower volatility than a portfolio solely focused on equities. However, please be aware that this portfolio still contains up to 35% in equities, which means there will still be a moderate amount of volatility and this is likely to increase at times of market stress.

	CAUTIOUS GROWTH PORTFOLIO	MIXED INVESTMENTS 0-35% SHARES
PERFORMANCE SINCE INCEPTION	12.69%	10.85%

- Artemis Global Income 10%
- Artemis Strategic Assets 10%
- Aviva Investors Multi Strategy 10%
- Fidelity Strategic Bond 15%
- Fundsmith Equity 10%
- Henderson UK Absolute Return 10%
- Jupiter Strategic Bond 15%
- Premier Defensive Growth 10%
- Woodford Equity Income 10%



AVERAGE ANNUAL MANAGEMENT CHARGE (AMC): 0.74%[#]

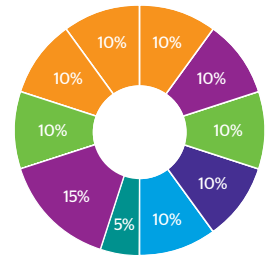
AVERAGE ONGOING CHARGES FIGURE (OCF): 0.84%[†]

Balanced Growth EasySIPP

The Balanced Growth EasySIPP currently invests approximately 50% in equities, but can reach a maximum of 70%, with bonds, property and targeted absolute return funds offering diversification. With an increased weighting in equities than that of the Cautious Growth EasySIPP, this portfolio may be ideal for investors who have a longer time horizon and those who are comfortable with a higher degree of risk.

	BALANCED GROWTH PORTFOLIO	MIXED INVESTMENTS 20-60% SHARES
PERFORMANCE SINCE INCEPTION	16.05%	12.01%

- BlackRock European Absolute Alpha 10%
- BlackRock European Dynamic 10%
- Evenlode Income 10%
- Mitton US Opportunities 10%
- Henderson Cautious Managed 10%
- JPM Global Macro Opportunities 15%
- Jupiter Strategic Bond 10%
- Liontrust Special Situations 10%
- MI Somerset Emerging Markets Dividend Growth[†] 10%
- VT UK Infrastructure Income 5%



AVERAGE ANNUAL MANAGEMENT CHARGE (AMC): 0.74%[#]

AVERAGE ONGOING CHARGES FIGURE (OCF): 0.88%[†]

Aggressive EasySIPP

The Aggressive EasySIPP is for investors who are comfortable with a higher degree of risk. The portfolio currently comprises approximately 50% in equities, but could be higher, with exposure to Asia, emerging markets, Europe and North America. This portfolio has the potential to produce greater returns, but with less investment in bonds and property funds this is only for those who are prepared to accept a high level of risk and invest for the long term.

	AGGRESSIVE PORTFOLIO	MIXED INVESTMENTS 40-85% SHARES
PERFORMANCE SINCE INCEPTION	18.93%	15.40%

- AXA Framlington UK Select Opportunities 10%
- Baillie Gifford Japanese 5%
- BlackRock UK Absolute Alpha 10%
- Fidelity American Special Sits 10%
- Fundsmith Equity 10%
- Henderson Strategic Bond 10%
- Invesco Perpetual Hong Kong and China 5%
- Jupiter European 10%
- Marlborough UK Micro-Cap Growth 10%
- Old Mutual Global Equity Absolute Return Hedged* 10%
- MI Somerset Emerging Markets Dividend Growth[†] 5%
- Stewart Investors Asia Pacific Leaders 5%



AVERAGE ANNUAL MANAGEMENT CHARGE (AMC): 0.78%[#]

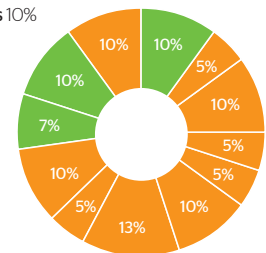
AVERAGE ONGOING CHARGES FIGURE (OCF): 0.90%[†]

High Alpha EasySIPP

The High Alpha EasySIPP comprises a range of equity funds that tend to be high risk in nature. This is a globally-diverse portfolio, with 70% of the holdings in equities and over 60% of the portfolio investing overseas. Due to the nature of these investments, this could be a highly volatile portfolio, and is more appropriate for long-term investing. Those who invest in this portfolio may see higher returns, but it should only be invested in by those willing to take a higher level of risk.

	HIGH ALPHA PORTFOLIO	MIXED INVESTMENTS GLOBAL
PERFORMANCE SINCE INCEPTION	24.73%	22.90%

- AXA Framlington UK Select Opportunities 10%
- Baillie Gifford Global Discovery 5%
- JOHCM Asia Small & Mid-Cap** 5%
- JPM Japan 5%
- Jupiter European 10%
- Legg Mason Clearbridge US Aggressive Growth 13%
- M&G Global Dividend 5%
- Marlborough UK Micro-Cap Growth 7%
- Matthews Asia Pacific Tiger 10%
- Neptune UK Mid Cap 10%
- Newton Global Emerging Markets 10%
- Rathbone Global Opportunities 10%



AVERAGE ANNUAL MANAGEMENT CHARGE (AMC): 0.75%[#]

AVERAGE ONGOING CHARGES FIGURE (OCF): 0.96%[†]

- Absolute Return
- Multi-Asset
- UK Equity
- Fixed Interest
- Infrastructure
- Overseas Equity

Important Notice
Please be aware that none of the funds available via Chelsea FundStore are without risk, and the Key Investor Information Documents, for each fund, should be read before investing.

* There is a 20% performance fee relative to the hurdle rate and high watermark.

** There is a 15% performance fee on outperformance of the benchmark subject to a high watermark.

† This fund has a dilution levy of 0.4% when buying or selling.

† OCF: The cost includes the annual management charge and other fees such as registration, regulatory, audit and legal fees but does not include transaction costs and performance fees.

The annual management charge is paid to a fund management company for managing the fund. It is calculated as a percentage of the value of the fund. The annual management charge is less than the Ongoing Charges Figure (OCF).

Source: FE Analytics data as of 01/09/2016, compiled by Chelsea

The Chelsea Junior **EasyISA**

The Junior ISA is a version of the long-standing and popular ISA but aimed at parents, guardians and grandparents who wish to save for the child's future. The Junior ISA limit is £4,080 for the current tax year. The Junior ISA has the advantage of no capital gains tax and no further liability to income tax. Furthermore, there is **currently no service or platform charge to pay** on Junior ISAs. All you pay is the annual management charge of the funds held, whilst this offer lasts.



WHY SHOULD YOU USE THE JUNIOR ISA ALLOWANCE?

Act now to protect your child's future. The Junior ISA could be used for university costs, house deposits, a wedding or possibly a car. Alternatively, at the age of 18, the Junior ISA will be automatically rolled into an 'adult' ISA and remain invested.

UNSURE WHERE TO INVEST?

To make it as easy as possible to invest in a Junior ISA, our research team has produced three Junior EasyISA portfolios to help you maximise returns over the long term*. These are simply suggested portfolios, which are split equally between three funds. As the Junior EasyISA is aimed at children and, consequently, the investment term is generally longer, they offer a broad, but predominately equity, spread. Therefore it should be noted that they may be subject to volatility, and thus potential capital loss.

HOW DO I INVEST?

An application form can be found on page 37.

Please take a look at the Key Investor Information Documents (KIID) online before you invest (see covering letter for details or visit our website at chelseafs.co.uk/documents/fundstore). You will also find further information on our website at chelseafs.co.uk/products/children/isa.

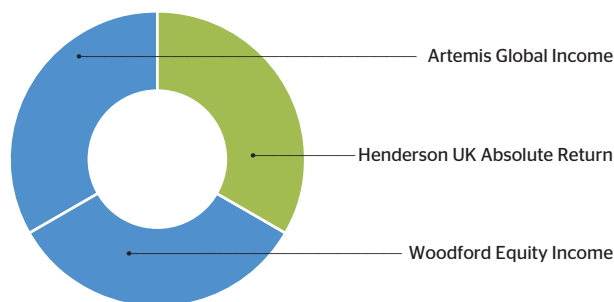
Junior ISA guide: We have written a guide which explains how the Junior ISA works, who can invest in it and what the benefits are. It is available on our website at the address above.

Please note that children with Child Trust Funds (CTF) cannot open a Junior ISA. However, you can now transfer a CTF to a Junior ISA and, once transferred, you can top up the Junior ISA. An application form can be found on page 39.

Core Equity Portfolio

AVERAGE ANNUAL MANAGEMENT CHARGE	0.83% [#]
AVERAGE ONGOING CHARGES FIGURE (OCF)	0.87% [†]

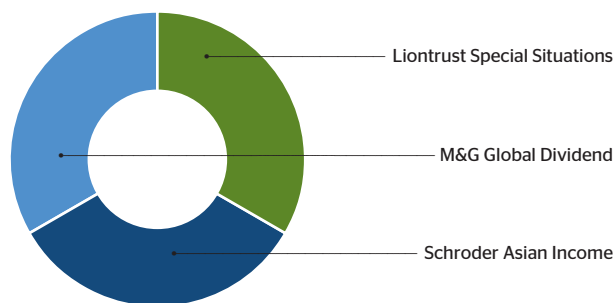
The core portfolio is designed to provide capital growth through investment in equities in a variety of regions and some fixed interest, with the aim of reducing volatility. The resulting portfolio holds over 80% in equities, so there is still potential for capital loss.



Balanced Equity Portfolio

AVERAGE ANNUAL MANAGEMENT CHARGE	0.75% [#]
AVERAGE ONGOING CHARGES FIGURE (OCF)	0.90% [†]

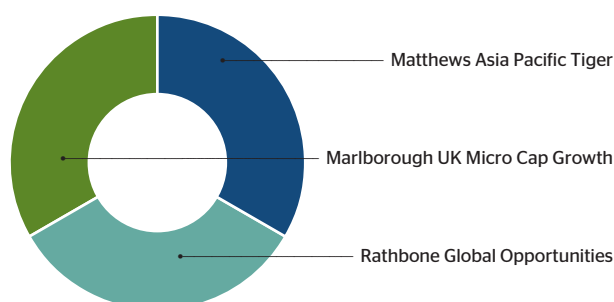
Those investors prepared to take a balanced level of risk and aiming to generate a return on capital through a mix of growth and income should opt for the balanced portfolio. The portfolio primarily invests in developed Asia and UK equity markets, although it is exposed to other regions such as the US, Europe and some emerging market countries. The fund will hold up to 100% in equities so there is potential for capital loss.



Aggressive Equity Portfolio

AVERAGE ANNUAL MANAGEMENT CHARGE	0.75% [#]
AVERAGE ONGOING CHARGES FIGURE (OCF)	0.96% [†]

The portfolio aims to maximise capital growth by investing in a mix of UK, emerging market and global equities. Consequently, investors should be willing to accept a higher degree of risk and volatility due to the nature of the underlying investments in these regions, particularly in emerging markets. The fund will hold up to 100% in equities so there is potential for capital loss.



All funds are chosen from the Chelsea Selection ...see pages 20 & 21

*Chelsea does not provide investment advice so if you are unsure of anything you should seek expert advice.

[†] OCF: The cost includes the annual management charge and other fees such as registration, regulatory, audit and legal fees but does not include transaction costs and performance fees.

[#] The annual management charge is paid to a fund management company for managing the fund. It is calculated as a percentage of the value of the fund. The annual management charge is less than the Ongoing Charges Figure (OCF).

Risk – downside protection

In this edition, we consider market risk and how you can set up your portfolio to give yourself the best possible chance of outperforming in a market downturn. This is known as downside protection.

Sometimes, the macroeconomic environment will go against you. Whether it is fears over a China slowdown, a banking crisis or a collapse in the oil price, there will always be something on the horizon that could trigger big market falls. In the past 12 months we have seen a few such events. They have been followed by indiscriminate sell-offs in almost all sectors, with prices tumbling sharply.

While these falls are an inevitable part of investing, you can protect yourself to some extent. With smart asset allocation, you can put yourself in a good position to potentially fall less than the wider market. This way, when the market bounces, you may be rising from a higher level.

REDUCE YOUR EQUITY EXPOSURE AND DIVERSIFY

Investors wishing to reduce their risk should consider diversifying some of their equity holdings into other investments. You could hold a variety of asset classes such as bonds; infrastructure; property; cash; absolute return (a type of fund that will try to create a return in all market conditions); and even gold (see page 22).

Adding these types of assets can help reduce the overall risk of your portfolio in two ways. Firstly, funds such as low risk absolute return, high quality bonds or even cash are typically less volatile than equities. Secondly, some of these assets are uncorrelated or lowly correlated with equities. This means that if the market tumbles, they may fall less or they may even rise. Of course, it's important to understand these assets could also fall as much or even more than, the market, but the point is they provide diversification because there is minimal connection between their movements and the broader stock market.

Recently, correlations between asset classes have been increasing and this has made constructing portfolios more difficult. Bonds and equities used to behave very differently, for example, but now their performance can be quite similar. The prices for perceivably 'safer' assets, such as government bonds, are also high at the moment. Some assets that typically remain relatively uncorrelated to equities are physical gold, cash and certain types of absolute return funds¹.

DEFENSIVE FUNDS WITHIN EACH ASSET CLASS

You can also help protect your portfolio by choosing more defensive funds. Some equity funds have a bias to cyclical industries such as banks, which are dependent on the economy. These funds are more aggressive and are likely to fall more than the market during a sell-off, but rise more than the market on the way up.

Conversely, there are funds that invest in more defensive non-cyclical industries, such as utilities or healthcare. Specialist equity infrastructure funds are another example. Typically, these funds will be less affected by the wider economy and will therefore fall less than the market in the case of a sell-off. They do, however, tend to lag if the market rises quickly. Investors wishing to reduce risk could consider adding some of these more defensive funds into the equity portion of their portfolio.

For bonds, consider high quality, low duration funds that are less sensitive to changes in interest rates. You could also look at certain strategic bond funds that have the tools to react to changing market conditions.

GO GLOBAL

You can also diversify globally. Investors typically have a home nation bias, but by spreading assets across different countries, you become less exposed to the risk of one currency or country. The Brexit vote aftermath has shown how important this is, with many overseas funds taking large jumps in sterling terms following our currency drop.

The US dollar is typically treated as a 'safe haven' asset, which will offer some protection in times of market uncertainty.


Always remember that the mix of asset classes in your portfolio and the percentage you allocate to each will depend on your personal attitude to risk and return. Consider what level of equity and other exposure you are comfortable with before building or amending your portfolio. If you require individual investment advice you should contact a financial advisor.

HOW TO USE THE CHELSEA RISK RATING

The Chelsea Risk Rating is simply a generic guide to the **relative** risk of funds within the market. It is up to you to determine your optimum asset class mix. The Chelsea Risk Rating is shown in the form of a thermometer (below) and is based on our in-house research.

The Chelsea Risk Rating attempts to quantify the relative risk of funds, to give you an idea of how risky one fund is versus another. A fund rated 5, in the middle of the spectrum, does not mean it is suitable for medium-risk investors, merely that according to historic volatility, and our understanding of the manager's investment process, we think it is more risky than a fund rated 4 and less risky than a fund rated 6. **Even funds rated 1 are subject to risk.**

CHELSEA RISK THERMOMETER



RISK RATING	SECTOR
9 - 10	EMERGING MARKETS
9 - 10	JAPAN
8 - 10	TECHNOLOGY
7.5 - 10	ASIA PACIFIC EX JAPAN
7.5 - 8.5	UK SMALLER COMPANIES
7 - 10	COMMODITIES
6.5 - 8	NORTH AMERICA
6 - 8	PROPERTY EQUITIES
6 - 8	GLOBAL EQUITIES
6 - 8	EUROPE
5 - 8	UK ALL COMPANIES
5 - 7	UK EQUITY INCOME
5	MIXED INVESTMENT 40 - 85%
3.5 - 5	UK EQUITY & BOND INCOME
3.5 - 4.5	MIXED INVESTMENT 20 - 60%
3.5 - 4	HIGH YIELD BONDS
3 - 3.5	PROPERTY
2 - 7	ABSOLUTE RETURN
2 - 4	STRATEGIC BONDS
2 - 4	GLOBAL BONDS
2 - 3.5	CORPORATE BONDS
2 - 3	GILTS
1	CASH

¹FE Analytics, Bloomberg Gold Sub vs MSCI World vs MSCI United Kingdom vs Bank of England base rate correlations. 06/09/2001-05/09/2016. Data accessed 06/09/2016

Chelsea Core Selection[©]

42 Core funds from the Chelsea Selection – individually researched and analysed.

UK GROWTH

AXA FRAMLINGTON UK SELECT OPPORTUNITIES

Nigel Thomas is a pragmatic stock picker who looks for both growth and value opportunities across the market-cap spectrum, although typically his fund will have around 50-60% in large-cap stocks. Stock selection is driven by bottom-up fundamental analysis and the introduction of new products or a change in management are also deemed important factors. Nigel places considerable emphasis on meeting companies and their management, to assess the feasibility of their business plans and their ability to implement them. Strength of management is the most important attribute he considers when making investment decisions. The portfolio typically holds around 70 stocks.

CHELSEA RISK RATING	● 6
ANNUAL MANAGEMENT CHARGE	0.75% [#]
ONGOING CHARGES FIGURE (OCF)	0.83% [†]
FUNDALIBRE	ELITE
MORNINGSTAR RATING	GOLD
YIELD	1.50%
UNIT TYPE	ACC or INC

FRANKLIN UK SMALLER COMPANIES

The strategy of this fund was completely changed around in 2012 when Richard Bullas took over the fund. The team are based in Leeds to enable them to focus on their stock selection and portfolio construction without the 'noise' of the city. Richard takes responsibility for the small-cap stocks and Paul Spencer manages the mid-caps, split around 80:20 respectively. The process is similar to Paul's highly successful mid-cap fund, with an emphasis on established, quality businesses with visible earnings. The fund has a long-term vision, with no particular bias to growth or value, and is quite concentrated, typically holding around 50 stocks, with no position worth more than 5% of the total portfolio. The smaller size of the fund, relative to its peers, allows the managers to be nimble.

CHELSEA RISK RATING	● 8
ANNUAL MANAGEMENT CHARGE	0.75% [#]
ONGOING CHARGES FIGURE (OCF)	0.83% [†]
FUNDALIBRE	-
MORNINGSTAR RATING	BRONZE
YIELD	1.12%
UNIT TYPE	ACC or INC

JOHCM UK DYNAMIC

Alex Savvides, who has been running the fund since launch, is one of the most exciting up-and-coming UK fund managers. The process, which he built himself, aims to exploit periods of share price underperformance, where the reasons for the underperformance are well understood and he believes there is a catalyst for change. Ideas come from three sources, which are corporate restructuring, hidden growth and recovery situations. Once his view is accepted by the market and becomes consensus, he will often sell. Also all companies need to have a yield or prospective yield, which does provide an element of safety. The fund will have at least 50% in the FTSE 100 and stocks are typically held for two years. There is a 15% performance fee on outperformance of the FTSE All-Share Total Return Index.

CHELSEA RISK RATING	● 6
ANNUAL MANAGEMENT CHARGE	0.63% [#]
ONGOING CHARGES FIGURE (OCF)	0.73% [†]
FUNDALIBRE	ELITE
MORNINGSTAR RATING	BRONZE
YIELD	3.43%
UNIT TYPE	ACC or INC

JUPITER UK GROWTH

Manager Steve Davies has a long history with this fund, having started as an analyst in 2007, before taking full control in May 2015, when this fund was merged with his Jupiter Undervalued Assets fund. This change has not altered the style though. The fund holds a concentrated portfolio of 40-50 stocks that aims to achieve long-term capital growth. Steve is not constrained by a benchmark, meaning he has the discretion to avoid sectors. He selects companies on one of two main criteria: firms that are out of favour with the markets, but have a catalyst for future growth, and companies that will generate above average growth, but are currently under-priced.

CHELSEA RISK RATING	● 7
ANNUAL MANAGEMENT CHARGE	0.75% [#]
ONGOING CHARGES FIGURE (OCF)	1.02% [†]
FUNDALIBRE	ELITE
MORNINGSTAR RATING	BRONZE
YIELD	0.90%
UNIT TYPE	ACC or INC

LIONTRUST SPECIAL SITUATIONS

This UK multi-cap fund is a 'best ideas' portfolio, which encompasses any stock regardless of size or sector. However, there will usually be around 60% in small and mid-cap stocks. The managers look for firms with "intellectual capital" or strong distribution networks, recurring revenue streams and products with no obvious substitutes. They also like to invest in companies where management teams have a significant personal equity stake. The fund is concentrated with 40-50 stocks and, due to the nature of the companies, the portfolio will perform well in flat or falling markets.

CHELSEA RISK RATING	● 6
ANNUAL MANAGEMENT CHARGE	0.75% [#]
ONGOING CHARGES FIGURE (OCF)	0.88% [†]
FUNDALIBRE	ELITE
MORNINGSTAR RATING	BRONZE
YIELD	0.91%
UNIT TYPE	INC

MARLBOROUGH UK MICRO-CAP GROWTH

Run by Giles Hargreave and Guy Feld, who are supported by one of the best small-cap teams in the country, the fund invests at the bottom end of the market capitalisation spectrum primarily into companies valued at below £250m. The managers have a growth bias and look for companies that will benefit from changing consumer trends, are leaders in niche markets or possess disruptive technology. The fund is extremely diversified at the stock level (around 220 stocks) and also across investment themes and sectors. The managers will aggressively run winners and add to them if appropriate. Typically the fund has around 15-20% overlap with Marlborough Special Situations, which invests further up the capitalisation scale.

CHELSEA RISK RATING	● 8
ANNUAL MANAGEMENT CHARGE	0.75% [#]
ONGOING CHARGES FIGURE (OCF)	0.80% [†]
FUNDALIBRE	ELITE
MORNINGSTAR RATING	-
YIELD	0.14%
UNIT TYPE	ACC

MARLBOROUGH UK MULTI-CAP GROWTH NEW ENTRY

This fund takes an unconstrained approach and can invest in businesses of all sizes, although Richard Hallett, manager since 2005, won't invest in any stock worth less than £100m. The portfolio typically holds between 40-50 stocks, with a one-in, one-out limit and each stock taking a maximum of 4% of the portfolio. Richard doesn't make big macroeconomic calls, but looks at individual firms and their prospects for the next two to five years. He buys firms that can grow regardless of the economy and avoids cyclical businesses, meaning that despite a mid- and small-cap bias, the fund can still outperform in falling markets.

CHELSEA RISK RATING	● 7
ANNUAL MANAGEMENT CHARGE	0.75% [#]
ONGOING CHARGES FIGURE (OCF)	0.85% [†]
FUNDALIBRE	-
MORNINGSTAR RATING	-
YIELD	0.60%
UNIT TYPE	INC

N.B. Chelsea Risk Ratings are based on qualitative and quantitative research, not asset allocation. Please see page 11 for more information.

For performance statistics please refer to pages 20-21.

All data sourced from FE Analytics, 01/09/2016.

* There is a 15% performance fee payable to the fund manager on outperformance of the benchmark. See the KIID for further details.

[†]OCF: The cost includes the annual management charge and other fees such as registration, regulatory, audit and legal fees but does not include transaction costs and performance fees.

[#] The annual management charge is paid to a fund management company for managing the fund. It is calculated as a percentage of the value of the fund. The annual management charge is less than the Ongoing Charges Figure (OCF).

Chelsea Core Selection[®] CONTINUED

EQUITY INCOME

ARTEMIS GLOBAL INCOME

Jacob de Tusch-Lec adopts a similar methodology to that of the successful Artemis Income fund. The ability to choose companies worldwide offers greater opportunities to find organisations with sustainable and growing yields. The fund favours large and mid-cap companies in a high-conviction portfolio of 60-80 stocks. The portfolio is structured using themes forming a balance between a stable core of stocks, growth companies and those with greater risk/reward potential. The manager aims to derive a yield from various sources through differing market conditions. Income is paid in April and October.

CHELSEA RISK RATING	● 6.5
ANNUAL MANAGEMENT CHARGE	0.75% [#]
ONGOING CHARGES FIGURE (OCF)	0.81% [†]
FUNDALIBRE	🏆 ELITE
MORNINGSTAR RATING	BRONZE
YIELD	3.21%
UNIT TYPE	ACC or INC

EVENLODE INCOME NEW ENTRY

Long-term thinking is key for this fund, with managers Hugh Yarrow and Ben Peters believing the market obsesses with short-term factors and thus overlooks key fundamentals. They only buy the highest quality businesses that are able to grow their dividends and create compound growth over a very long period. Their stocks will typically have difficult-to-replicate business models, strong positioning in their markets and low borrowings. They will never invest in highly capital-intensive areas such as mining or oil and gas. As such, the fund often performs well in down markets. While not the highest yielding fund, its compounding approach has allowed a consistent and growing payout level from a very concentrated portfolio.

CHELSEA RISK RATING	● 5
ANNUAL MANAGEMENT CHARGE	0.95% [#]
ONGOING CHARGES FIGURE (OCF)	0.95% [†]
FUNDALIBRE	🏆 ELITE
MORNINGSTAR RATING	-
YIELD	3.30%
UNIT TYPE	ACC or INC

M&G GLOBAL DIVIDEND

The notion that the discipline of paying dividends leads to greater corporate responsibility, which in turn leads to share price outperformance, is the investment philosophy behind this fund. Manager Stuart Rhodes' main aim is to grow distributions over the long term, whilst maximising total return by investing across a wide range of geographies, sectors and market capitalisations. The process is bottom-up and value driven. The fund has around 50 stocks, typically held for three years and Stuart predominantly invests in developed markets. Income is paid in March, June, September and December.

CHELSEA RISK RATING	● 6.5
ANNUAL MANAGEMENT CHARGE	0.75% [#]
ONGOING CHARGES FIGURE (OCF)	0.91% [†]
FUNDALIBRE	🏆 ELITE
MORNINGSTAR RATING	SILVER
YIELD	2.95%
UNIT TYPE	ACC or INC

RATHBONE INCOME SPOTLIGHT

Through investing in UK companies with above average yields, Carl Stick aims to deliver rising income, with capital upside over time. Carl's investment process combines top-down macroeconomic considerations with bottom-up stock picking to build a portfolio of 40-50 stocks. Seeking companies with quality earnings at the right price is the core emphasis of Carl's fund. The majority of holdings are spread across all UK company market caps, although Carl will hold overseas equities where greater opportunities exist. Income is paid in January and July.

CHELSEA RISK RATING	● 5
ANNUAL MANAGEMENT CHARGE	0.65% [#]
ONGOING CHARGES FIGURE (OCF)	0.70% ^{††}
FUNDALIBRE	🏆 ELITE
MORNINGSTAR RATING	BRONZE
YIELD	3.36%
UNIT TYPE	ACC or INC

STANDARD LIFE UK EQUITY INCOME UNCONSTRAINED

Manager Thomas Moore looks for non-consensus ideas across the market-cap spectrum. He wants companies with dividend growth that can be sustained for the long term, evidenced by earnings growth accelerating faster than dividend payouts. While the unconstrained mandate allows Tom to move around the capitalisation scale, and he is happy to shun some equity income stalwarts in the FTSE 100, the portfolio maintains around 40% in large-caps. As this style may otherwise cause higher volatility than the sector average, this large-cap weighting helps to manage risk. He also follows a strict sell discipline and cuts positions quickly if the fundamentals deteriorate. Income is paid in March and July.

CHELSEA RISK RATING	● 6
ANNUAL MANAGEMENT CHARGE	1.00% [#]
ONGOING CHARGES FIGURE (OCF)	1.15% [†]
FUNDALIBRE	🏆 ELITE
MORNINGSTAR RATING	BRONZE
YIELD	3.74%
UNIT TYPE	ACC or INC

THREADNEEDLE UK EQUITY ALPHA INCOME

Co manager since 2010, Richard Colwell has now taken full control following Leigh Harrison's retirement. He continues to place emphasis on generating a total return from a concentrated portfolio of UK equities. The portfolio is constructed from the managers' best ideas, consisting of 25-30 UK stocks. The team identify economic investment themes and position the portfolio accordingly. This may lead to a greater focus on certain sectors. This unconstrained approach provides the flexibility that allows Leigh and Richard to take active positions in their best ideas. Income is paid in January and July.

CHELSEA RISK RATING	● 5
ANNUAL MANAGEMENT CHARGE	0.75% [#]
ONGOING CHARGES FIGURE (OCF)	0.87% [†]
FUNDALIBRE	-
MORNINGSTAR RATING	BRONZE
YIELD	4.30%
UNIT TYPE	INC

WOODFORD EQUITY INCOME

Perhaps one of most well known fund managers in the industry, Neil Woodford's eponymous fund has enjoyed a strong start since his departure from Invesco Perpetual. Neil continues to search for companies with sound balance sheets, transparent earnings and resilience to macro-economic headwinds all at attractive valuations. The portfolio will have a core of large cap stocks to generate the bulk of the income, but also a tail of smaller, earlier stage companies aiming to generate strong long term capital growth. Income is paid in April, July, October and January.

CHELSEA RISK RATING	● 5
ANNUAL MANAGEMENT CHARGE	0.75% [#]
ONGOING CHARGES FIGURE (OCF)	0.75% [†]
FUNDALIBRE	🏆 ELITE
MORNINGSTAR RATING	SILVER
YIELD	3.30%
UNIT TYPE	ACC or INC

N.B. Chelsea Risk Ratings are based on qualitative and quantitative research, not asset allocation. Please see page 11 for more information.

For performance statistics please refer to pages 20-21.

All data sourced from FE Analytics, 01/09/2016.

* There is a 15% performance fee payable to the fund manager on outperformance of the benchmark. See the KIID for further details.

†OCF: The cost includes the annual management charge and other fees such as registration, regulatory, audit and legal fees but does not include transaction costs and performance fees.

The annual management charge is paid to a fund management company for managing the fund. It is calculated as a percentage of the value of the fund. The annual management charge is less than the Ongoing Charges Figure (OCF).

^ Includes Chelsea discount.

Chelsea Core Selection[®] CONTINUED

EUROPE

BLACKROCK EUROPEAN DYNAMIC

Alister Hibbert runs this fund with an aggressive mentality, being prepared to have big over and underweight positions at both the stock and sector level. The fund itself has a focus on large-cap companies and these tend to have growth, rather than value characteristics. The portfolio make-up can shift dramatically at times, which can lead to periods of volatility. However, during his tenure Alister has used this risk well. He is supported by BlackRock's well-resourced European equity team, which we consider to be one of the best around. The portfolio is reasonably concentrated with typically 50 holdings and turnover can be higher than other funds in the sector.

CHELSEA RISK RATING	● 7
ANNUAL MANAGEMENT CHARGE	0.75% [#]
ONGOING CHARGES FIGURE (OCF)	0.92% [†]
FUNDALIBRE	🏆 ELITE
MORNINGSTAR RATING	SILVER
YIELD	0.61%
UNIT TYPE	ACC or INC

JUPITER EUROPEAN

The fund manager, Alexander Darwall, runs a concentrated, conviction portfolio of 30-40 stocks, with a focus on mid-cap companies. Alexander takes a long-term view, focusing predominantly on bottom-up stock analysis and places a high degree of emphasis on management meetings and having an in-depth understanding of the companies in which he invests. Turnover is thus very low. Alexander will only consider stocks with sound business characteristics and favours those which he believes will emerge stronger from a recession. His preferred sectors are currently industrials and healthcare.

CHELSEA RISK RATING	● 6.5
ANNUAL MANAGEMENT CHARGE	0.75% [#]
ONGOING CHARGES FIGURE (OCF)	1.03% [†]
FUNDALIBRE	🏆 ELITE
MORNINGSTAR RATING	GOLD
YIELD	-
UNIT TYPE	ACC or INC

THREADNEEDLE EUROPEAN SELECT

Manager David Dudding focuses on buying companies with a competitive advantage, high quality defensible earnings and consistent growth rates. His approach is growth orientated, but other factors, such as brand loyalty or pricing power, are also key. Consequently, he favours certain sectors and may choose not to invest in some sectors altogether. David likes companies with strong market share in emerging markets. The fund is fairly concentrated and typically has around 40 holdings, of which around 80% are in large caps.

CHELSEA RISK RATING	● 7
ANNUAL MANAGEMENT CHARGE	0.75% [#]
ONGOING CHARGES FIGURE (OCF)	0.83% [†]
FUNDALIBRE	🏆 ELITE
MORNINGSTAR RATING	BRONZE
YIELD	1.00%
UNIT TYPE	ACC or INC

US

AXA FRAMLINGTON AMERICAN GROWTH

Manager Steve Kelly runs this fund within a stock-picking framework. He has a strong growth bias, focusing on companies that are able to exhibit genuine, organic growth through the strength of their brand. He also prioritises good management in their investment decisions, as he looks for companies whose management delivers their stated goals. The fund typically holds 65-75 stocks. The manager is currently overweight technology stocks as he feels they will benefit from a consumer recovery.

CHELSEA RISK RATING	● 7
ANNUAL MANAGEMENT CHARGE	0.75% [#]
ONGOING CHARGES FIGURE (OCF)	0.82% [†]
FUNDALIBRE	🏆 ELITE
MORNINGSTAR RATING	BRONZE
YIELD	-
UNIT TYPE	ACC or INC

FIDELITY AMERICAN SPECIAL SITUATIONS

Manager Angel Agudo takes a value approach to running this fund, aided by one of the largest US research teams in London, to create long-term capital appreciation for his investors. He looks for firms which are out of favour, but where the market has undervalued the potential for an improvement. This leads to a concentrated portfolio of 40-60 stocks which are in different stages of their turn-around, so that the portfolio has the potential to outperform through different macroeconomic environments. Once he has highlighted potential stocks, he invests at valuations where he believes there is a 50-100% upside. Angel uses scenario analysis to assess his stocks, including assessing how a stock should perform if the worst were to happen.

CHELSEA RISK RATING	● 7
ANNUAL MANAGEMENT CHARGE	0.75% [#]
ONGOING CHARGES FIGURE (OCF)	0.95% [†]
FUNDALIBRE	
MORNINGSTAR RATING	BRONZE
YIELD	-
UNIT TYPE	ACC

LEGG MASON CLEARBRIDGE US AGGRESSIVE GROWTH

The managers of this fund have a long and proven track record, with one of the co-managers, Richie Freeman, having been at the helm since 1983. Despite the name of the fund, the managers are conscious of valuations and we would describe it as a "growth at a reasonable price" type strategy, with a bias towards large-cap stocks. They take a very long-term view, with the average holding period being around 10 years. They see a huge amount of companies and carry out incredibly in-depth due diligence, with the intention of seeking out only the highest quality companies with the most competent management teams. This enables them to have a concentrated portfolio, take big deviations from the benchmark and have very low turnover. The process is labour intensive but they are ably supported by a team of 30 analysts, all of whom are based in the US.

CHELSEA RISK RATING	● 7
ANNUAL MANAGEMENT CHARGE	0.65% [#]
ONGOING CHARGES FIGURE (OCF)	1.11% [†]
FUNDALIBRE	🏆 ELITE
MORNINGSTAR RATING	SILVER
YIELD	-
UNIT TYPE	ACC

ASIA PACIFIC, JAPAN AND EMERGING MARKETS

INVESCO PERPETUAL HONG KONG & CHINA

This fund aims to invest in quality defensive companies with sustainable earnings and strong management teams. Mike Shiao is based in Hong Kong and has been managing the fund since 2012. He has over 20 years' experience of investing in the region. The fund is currently focusing on the Chinese consumer theme. It favours investing in mid-cap stocks with around 50% of the value of the fund in its top 10 holdings.

CHELSEA RISK RATING	● 10
ANNUAL MANAGEMENT CHARGE	0.89% [#]
ONGOING CHARGES FIGURE (OCF)	0.89% [†]
FUNDALIBRE	🏆 ELITE
MORNINGSTAR RATING	-
YIELD	0.59%
UNIT TYPE	ACC

N.B. Chelsea Risk Ratings are based on qualitative and quantitative research, not asset allocation. Please see page 11 for more information.

For performance statistics please refer to pages 20-21.

All data sourced from FE Analytics, 01/09/2016.

* There is a 15% performance fee payable to the fund manager on outperformance of the benchmark. See the KIID for further details.

†OCF: The cost includes the annual management charge and other fees such as registration, regulatory, audit and legal fees but does not include transaction costs and performance fees.

The annual management charge is paid to a fund management company for managing the fund. It is calculated as a percentage of the value of the fund. The annual management charge is less than the Ongoing Charges Figure (OCF).

^ Includes Chelsea discount. See page 37 for more details.

Chelsea Core Selection[©] CONTINUED

ASIA PACIFIC, JAPAN AND EMERGING MARKETS (CONTINUED)

JOHCM ASIA EX JAPAN SMALL AND MID CAP

Managers Cho Yu Kooi and Samhir Mehta have worked together for 15 years and are based in Singapore. This is a high conviction fund, which is willing to make big calls on which countries and sectors it invests in. The fund is a mix of core high quality companies (minimum 75% of the fund) and more cyclical stocks. It has historically been heavily exposed to the consumer. As its name suggests, the fund invests in small and mid-sized stocks and can be volatile as a result. Every stock in the portfolio is tested to see how it performed in previous down markets.

CHELSEA RISK RATING	● 9
ANNUAL MANAGEMENT CHARGE	0.75% ^{**}
ONGOING CHARGES FIGURE (OCF)	1.08% [†]
FUND CALIBRE	-
MORNINGSTAR RATING	-
YIELD	-
UNIT TYPE	INC

JPM JAPAN

Tokyo-based manager Nick Weindling runs this domestic Japanese growth fund. When selecting stocks he incorporates a thematic approach, built on his on-the-ground knowledge and understanding of Japanese culture. Nick avoids the traditional 'old Japan' stocks, looking more for stocks that have improved corporate governance. He takes a long-term focus when highlighting opportunities, and ensures he meets company management in order to understand their business properly, aided by being fluent in Japanese. The portfolio will be checked to ensure it is aligned with the manager's macroeconomic views.

CHELSEA RISK RATING	● 10
ANNUAL MANAGEMENT CHARGE	0.75% ^{**}
ONGOING CHARGES FIGURE (OCF)	0.93% [†]
FUND CALIBRE	-
MORNINGSTAR RATING	NEUTRAL
YIELD	-
UNIT TYPE	ACC or INC

MAN GLG JAPAN CORE ALPHA

This fund takes a contrarian look at the Japanese stock market with a strong focus on value investing. The team use a valuation model, which compares a stock's share price with the net assets on its balance sheet. This method has historically been a reliable measure of returns. The stocks they target are typically the large-cap, 'core' Japanese companies, the well known names that export their goods around the world. From this, they create a high-conviction portfolio of around 50 holdings, which may differ greatly from the benchmark.

CHELSEA RISK RATING	● 10
ANNUAL MANAGEMENT CHARGE	0.75%
ONGOING CHARGES FIGURE (OCF)	0.97% [†]
FUND CALIBRE	ELITE
MORNINGSTAR RATING	GOLD
YIELD	0.50%
UNIT TYPE	ACC or INC

MATTHEWS ASIA PACIFIC TIGER SPOTLIGHT

Matthews is an American investment house which focuses exclusively on Asia. They are deliberately based in San Francisco to remove themselves from short-term market noise. However, they make regular visits to the region and undertake around 2,000 company meetings a year. Between them, the team speak 13 languages and many of them grew up in the region. The fund aims to invest in the very best Asian businesses for the long term. It is almost entirely bottom-up and typically has a bias to domestic consumer orientated businesses. Lead manager, Sharrat Schroff, has managed the fund since 2010. The portfolio has around 60 to 70 holdings and is very different to the benchmark.

CHELSEA RISK RATING	● 8
ANNUAL MANAGEMENT CHARGE	0.75%
ONGOING CHARGES FIGURE (OCF)	1.29% [†]
FUND CALIBRE	ELITE
MORNINGSTAR RATING	SILVER
YIELD	-
UNIT TYPE	ACC or INC

MI SOMERSET EMERGING MARKETS DIVIDEND GROWTH

The team at Somerset have been together for 15 years, operating out of London and Singapore, with manager Edward Lam running this strategy since inception. Edward seeks quality companies which generate growing dividends. The fund is a highly concentrated portfolio of around 40, predominately large-cap stocks. Please note that Somerset charge a dilution levy of 0.4% on entry to, or exit from, this fund in order to protect existing investors on redemptions to the fund.

CHELSEA RISK RATING	● 9.5
ANNUAL MANAGEMENT CHARGE	1.00% [#]
ONGOING CHARGES FIGURE (OCF)	1.30% [†]
FUND CALIBRE	ELITE
MORNINGSTAR RATING	BRONZE
YIELD	1.90%
UNIT TYPE	ACC or INC

SCHRODER ASIAN ALPHA PLUS

This Asian fund is actively managed from the bottom up, with manager Matthew Dobbs often looking for catalysts in order to provide upside in the stocks he owns. Matthew is focused on valuations but also looks for companies that can exhibit organic growth. This concentrated portfolio will typically consist of 60-80 of the best ideas in the region and a "one in one out" policy is followed. The fund is relatively unconstrained, but risk-aware, and can invest across the market-cap spectrum.

CHELSEA RISK RATING	● 8
ANNUAL MANAGEMENT CHARGE	0.75% [#]
ONGOING CHARGES FIGURE (OCF)	0.96% [†]
FUND CALIBRE	ELITE
MORNINGSTAR RATING	SILVER
YIELD	0.53%
UNIT TYPE	ACC or INC

STEWART INVESTORS ASIA PACIFIC LEADERS

The fund was previously managed by veteran Angus Tulloch, who has handed over full responsibility to the previous co-manager David Gait, though Angus remains in a research and consultancy capacity. The fund maintains its strong focus on capital preservation by considering corporate governance and social responsibility in order to maintain a sense of stewardship over investors money. The portfolio is concentrated at 40-60 stocks, with the top ten making up around 40% of the whole portfolio. David makes meeting company management an integral part of company analysis, and the stocks will typically be large cap, with firms under around \$1bn removed from the stock selection process.

CHELSEA RISK RATING	● 7.5
ANNUAL MANAGEMENT CHARGE	0.85%
ONGOING CHARGES FIGURE (OCF)	0.90% [†]
FUND CALIBRE	ELITE
MORNINGSTAR RATING	SILVER
YIELD	0.60%
UNIT TYPE	ACC or INC

© Throughout Viewpoint, whenever we mention a fund that's in the Chelsea Core Selection, we'll mark it with this icon.

N.B. Chelsea Risk Ratings are based on qualitative and quantitative research, not asset allocation. Please see page 11 for more information.

For performance statistics please refer to pages 20-21.

All data sourced from FE Analytics, 01/09/2016.

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^ Includes Chelsea discount.

Chelsea Core Selection[®] CONTINUED

MISCELLANEOUS

ARTEMIS STRATEGIC ASSETS

Managers William Littlewood and Giles Parkinson assess the macroeconomic environment to help make their investment decisions. They aim to achieve long-term growth by investing in a range of assets, including UK equity, international equity, fixed interest, currency, commodities and cash. Adopting a total return mentality, the managers aim to outperform equities when markets are favourable, and preserve capital when markets are poor. They often take advantage of shorting individual securities or currencies that they believe are overpriced.

CHELSEA RISK RATING	● 6
ANNUAL MANAGEMENT CHARGE	0.75% [‡]
ONGOING CHARGES FIGURE (OCF)	0.87% [†]
FUNDALIBRE	ELITE
MORNINGSTAR RATING	-
YIELD	-
UNIT TYPE	ACC

GLOBAL

FUNDSMITH EQUITY

Manager Terry Smith is one of the most outspoken and high profile personalities in the city. Terry founded Fundsmith in 2010 and has consistently proven himself over a long and glittering career. The fund invests in high quality well-established mega-cap companies. Terry buys businesses which have high returns on equity and are resilient to technological change. The fund typically has a big overweight to consumer staples and it will often avoid some sectors entirely. Valuation discipline is a key part of the process. The concentrated portfolio will typically hold just 20 to 30 stocks.

CHELSEA RISK RATING	● 6
ANNUAL MANAGEMENT CHARGE	0.90% [‡]
ONGOING CHARGES FIGURE (OCF)	0.97% [†]
FUNDALIBRE	ELITE
MORNINGSTAR RATING	BRONZE
YIELD	0.36%
UNIT TYPE	ACC or INC

JOHCM GLOBAL SELECT

Christopher Lees and Nudgem Richyal run this unconstrained fund of around 50 equally-weighted stocks. The global team generate ideas from the 500 stocks held by the JOHCM regional teams. They screen for companies with positive earnings momentum and improving returns on capital. The team perform country analysis, sector analysis and stock analysis. They then identify which of these factors has the biggest impact on the stock over time and build their portfolio accordingly. All stocks in the portfolio are high conviction ideas, but positions are equally-weighted to avoid any manager overconfidence. The fund will typically have a slight bias to growth.

CHELSEA RISK RATING	● 7
ANNUAL MANAGEMENT CHARGE	0.75%**
ONGOING CHARGES FIGURE (OCF)	0.81% [†]
FUNDALIBRE	ELITE
MORNINGSTAR RATING	-
YIELD	-
UNIT TYPE	INC

RATHBONE GLOBAL OPPORTUNITIES

Manager James Thompson has a mandate to invest across the globe, though in practice only focuses on the more developed world markets to create a concentrated portfolio of 40-60 stocks. These companies are typically out of favour and under the radar growth companies, but at attractive valuations. James is a pure stock picker and has a flexible asset allocation mandate to go with it. He likes differentiated companies that are easy to understand, with a repeatable strategy whose sectors have barriers to entry. There is also a defensive bucket of stocks, less dependent on the economic environment to manage risk and protect the fund in falling markets.

CHELSEA RISK RATING	● 6.5
ANNUAL MANAGEMENT CHARGE	0.65% ^{‡*}
ONGOING CHARGES FIGURE (OCF)	0.69% ^{†*}
FUNDALIBRE	ELITE
MORNINGSTAR RATING	SILVER
YIELD	-
UNIT TYPE	ACC

FIXED INTEREST

HENDERSON STRATEGIC BOND

Long standing managers, Jenna Barnard and John Pattullo run this fund with up to 70% in high yield bonds. This is one of the more aggressively managed strategic bond funds. The managers can invest across the fixed income spectrum, but can also invest in synthetic fixed income securities (i.e. preference shares) and equities. In addition, the managers have the freedom to vary the source of their returns between income or capital growth. This means the fund can take short positions to enhance returns or protect capital. Income is paid in March, June, September and December.

CHELSEA RISK RATING	● 3
ANNUAL MANAGEMENT CHARGE	0.60% [‡]
ONGOING CHARGES FIGURE (OCF)	0.70% [†]
FUNDALIBRE	-
MORNINGSTAR RATING	SILVER
YIELD	4.20%
UNIT TYPE	ACC or INC

INVESCO PERPETUAL MONTHLY INCOME PLUS

This strategic bond fund gives the managers considerable freedom to invest across the credit spectrum, but their emphasis on providing a high income and security of capital mean the fund will often have a bias towards higher quality high-yield bonds, although security selection is driven by bottom-up analysis. The fund can invest up to 20% of its assets in equities. The equity portion is managed by Ciaran Mallon, who also manages Invesco's Income and Growth fund. Invesco are well known for the strength of their fixed-income resource and this is their flagship offering. Income is paid monthly.

CHELSEA RISK RATING	● 3.5
ANNUAL MANAGEMENT CHARGE	0.67% [‡]
ONGOING CHARGES FIGURE (OCF)	0.67% [†]
FUNDALIBRE	ELITE
MORNINGSTAR RATING	SILVER
YIELD	5.50%
UNIT TYPE	ACC or INC

JUPITER STRATEGIC BOND

The manager, Ariel Bezalel, seeks out the best opportunities within the fixed interest universe globally. He identifies debt issues he feels are mispriced using bottom-up fundamental analysis. Companies with robust business models and recurring revenue streams are preferred. Derivatives can be used to manage risk and also to profit from falling bond prices. Income is paid in April, July, October and January.

CHELSEA RISK RATING	● 2.5
ANNUAL MANAGEMENT CHARGE	0.50% [‡]
ONGOING CHARGES FIGURE (OCF)	0.73% [†]
FUNDALIBRE	ELITE
MORNINGSTAR RATING	BRONZE
YIELD	3.80%
UNIT TYPE	ACC or INC

KAMES INVESTMENT GRADE BOND

Co-managers Stephen Snowden and Euan McNeil target total return by investing mainly in global investment grade corporate bonds (at least 80%), however gilts, high yield bonds and cash are also held. A strong team ethic, together with their significant fixed income resource, influences both top-down strategy and bottom-up stock-picking and the resulting portfolio typically has around 150 stocks. The fund pays out in April, July, October and January.

CHELSEA RISK RATING	● 2.5
ANNUAL MANAGEMENT CHARGE	0.75% [‡]
ONGOING CHARGES FIGURE (OCF)	0.79% [†]
FUNDALIBRE	ELITE
MORNINGSTAR RATING	SILVER
YIELD	2.65%
UNIT TYPE	ACC or INC

N.B. Chelsea Risk Ratings are based on qualitative and quantitative research, not asset allocation. Please see page 11 for more information.

For performance statistics please refer to pages 20-21.

All data sourced from FE Analytics, 01/09/2016.

* There is a 15% performance fee payable to the fund manager on outperformance of the benchmark. See the KIID for further details.

†OCF: The cost includes the annual management charge and other fees such as registration, regulatory, audit and legal fees but does not include transaction costs and performance fees.

‡ The annual management charge is paid to a fund management company for managing the fund. It is calculated as a percentage of the value of the fund. The annual management charge is less than the Ongoing Charges Figure (OCF).

^ Includes Chelsea discount.

Chelsea Core Selection[®] CONTINUED

FIXED INTEREST (CONTINUED)

MAN GLG STRATEGIC BOND

Jon Mawby and Andy Li manage this fund with both an absolute and total return mindset. This means they aim to provide an absolute return over the credit cycle, and have the flexibility to move the fund into the areas of the credit spectrum where they see most value. They are also able to express their views on the direction of interest rates, which means the fund can differ significantly from its benchmark and peer group. Risk management is at the heart of the process, with the managers hedging known risks with derivatives and using the fund's cash weighting to protect against risks that can't be hedged using conventional methods. Income is paid in March, June, September and December.

CHELSEA RISK RATING	● 3
ANNUAL MANAGEMENT CHARGE	0.62% [‡]
ONGOING CHARGES FIGURE (OCF)	0.80% [†]
FUND CALIBRE	-
MORNINGSTAR RATING	BRONZE
YIELD	2.42%
UNIT TYPE	ACC or INC

TWENTYFOUR DYNAMIC BOND

TwentyFour was founded in 2008 by a group of leading bond managers and it specialises entirely in fixed income. This fund is their flagship product. There is no lead manager and asset allocation is decided by a ten-strong investment committee on a monthly basis. Portfolio managers are then responsible for managing their own parts of the portfolio. This is a flexible, high conviction fund managed by a very experienced and well resourced team. It typically has between 50 and 75 holdings. A significant portion of the fund is invested in asset backed securities (around 25%). This makes the fund quite different from some other strategic bond funds which lack the expertise to invest in this area of the market. The fund has a high yield and income is paid in March, June, September and December.

CHELSEA RISK RATING	● 3.5
ANNUAL MANAGEMENT CHARGE	0.75% [‡]
ONGOING CHARGES FIGURE (OCF)	0.80% [†]
FUND CALIBRE	▲ ELITE
MORNINGSTAR RATING	-
YIELD	4.63%
UNIT TYPE	ACC or INC

TARGETED ABSOLUTE RETURN

AVIVA INVESTORS MULTI-STRATEGY TARGET INCOME NEW ENTRY

This is a multi-asset absolute return fund that aims to generate a good monthly income while preserving investors' capital. Income is derived from five different sources: equity dividends, real estate investment trusts (REITs), option premia and corporate and government bonds. The fund has clear visibility over its future income and it never takes income from the capital of the fund. It employs a number of risk-reducing strategies, which cost very little but are designed to protect the fund in market sell-offs. The portfolio is regularly scenario-tested against past and hypothetical events. There is no performance fee.

CHELSEA RISK RATING	● 5
ANNUAL MANAGEMENT CHARGE	0.75% [‡]
ONGOING CHARGES FIGURE (OCF)	0.85% [†]
FUND CALIBRE	-
MORNINGSTAR RATING	-
YIELD	4.70%
UNIT TYPE	INC

BLACKROCK UK ABSOLUTE ALPHA NEW ENTRY

This is a long-short UK equity fund that seeks to generate a positive return over a rolling 12-month period in all market conditions. The fund was re-structured and strengthened following the addition of Nigel Ridge in 2013. Since Nigel joined, the fund is now higher conviction but maintains a conservative net exposure to the wider stock market. The fund aims to add value through fundamental stock analysis. It will buy individual shares that are cheap but will also short-sell stocks it views as overvalued. The fund then combines these positions with a more conservative pair trading strategy, whereby it will buy one stock in a sector and simultaneously short-sell another in the same sector to hedge out the market risk.

CHELSEA RISK RATING	● 4
ANNUAL MANAGEMENT CHARGE	0.75% ^{‡*}
ONGOING CHARGES FIGURE (OCF)	0.93% [†]
FUND CALIBRE	-
MORNINGSTAR RATING	BRONZE
YIELD	-
UNIT TYPE	ACC

HENDERSON UK ABSOLUTE RETURN

This is a stock-picking fund that aims to deliver 8-10% p.a. in all market conditions. The managers aim to identify stocks that will either exceed or fall short of analysts' expectations and construct a portfolio of both long and short positions. There are limits on the overall market exposure, which serve to reduce the volatility of the fund. Two thirds of the portfolio will be in shorter-term tactical ideas, where the managers believe an earnings surprise could be imminent. The remainder will be in core holdings, where the managers think there are long-term drivers in place that will either increase or decrease the share price over time.

CHELSEA RISK RATING	● 4
ANNUAL MANAGEMENT CHARGE	1.00% ^{‡*}
ONGOING CHARGES FIGURE (OCF)	1.06% [†]
FUND CALIBRE	▲ ELITE
MORNINGSTAR RATING	BRONZE
YIELD	0.5%
UNIT TYPE	ACC

OLD MUTUAL GLOBAL EQUITY ABSOLUTE RETURN HEDGED

The fund is designed to offer a return of cash +6% on a rolling three-year basis, in all market conditions. The fund invests only in equities but is equity-market neutral, which means the fund's long positions will offset the short positions at all times. The process itself is essentially a sophisticated quantitative screen that scans the world's most liquid 3,500 companies for shares that exhibit certain characteristics. Suitable stocks are grouped into one of five buckets. As one bucket starts to outperform the managers will tilt the portfolio towards that bucket. What sets this fund apart from other equity long/short funds is the very deliberate and methodical way that the managers have designed the process to minimise style risk.

CHELSEA RISK RATING	● 6
ANNUAL MANAGEMENT CHARGE	0.75% ^{‡*}
ONGOING CHARGES FIGURE (OCF)	0.84% [†]
FUND CALIBRE	▲ ELITE
MORNINGSTAR RATING	-
YIELD	-
UNIT TYPE	ACC

All Core Selection funds are available at 0% initial charge within an ISA and outside an ISA on FundStore.

For performance statistics please refer to pages 20-21. All data sourced from FE Analytics, 01/09/2016.

Least risky

1 ● |||||

THE CHELSEA RISK RATING

This is our proprietary rating to aid you in your fund choice. Our research team assesses the overall risk of a fund by analysing a number of factors including: the level of risk involved in the region/sector in which the fund invests; the size of the companies within the fund; the number of stocks held; the risk controls imposed by the manager; the use of derivatives and currency issues.

We then assign a Chelsea Risk Rating to the fund, with 1 as the lowest risk and 10 the highest. See page 12 for further details.

Most risky

||||| ● 10

N.B. Chelsea Risk Ratings are based on qualitative and quantitative research, not asset allocation. Please see page 11 for more information.

For performance statistics please refer to pages 20-21.

All data sourced from FE Analytics, 01/09/2016

[‡] There is a 20% performance fee payable to the fund manager relative to the hurdle rate and high watermark. See the KIID for further details.

[†]OCF: The cost includes the annual management charge and other fees such as registration, regulatory, audit and legal fees but does not include transaction costs and performance fees.

[#] The annual management charge is paid to a fund management company for managing the fund. It is calculated as a percentage of the value of the fund. The annual management charge is less than the Ongoing Charges Figure (OCF).

Core Selection Spotlight

An in-depth look at two funds from our Core Selection. We invite fund managers to talk about their process and their asset class, giving you a more comprehensive view of how your money is managed.

C Spotlight on **Rathbone Income**

Elite Rated by FundCalibre



CARL STICK
Fund manager,
Rathbone Income

1996 is not a year I'll forget easily, primarily because it was the year in which I got married and the one that changed the course of my career - I joined stockbroker Neilson Cobbold, which was then acquired by Rathbones. Two years later, I transferred to London, where I became an assistant fund manager for the unit trust business, working alongside the well-respected manager, Hugh Priestley. In 2000, I took over the running of the Rathbone Income fund.

WHAT DO WE DO AND HOW DO WE DO IT?

The fund is designed for generating total returns, often with some long-term target in mind such as retirement income, future healthcare costs, university fees and so forth. Our investment decisions reflect this philosophy.

We're stock pickers and are not beholden to a benchmark. We do our own thinking. We prefer to own great businesses at fair prices. We're investors, not speculators, so trading volumes are low. We want businesses that grow their earnings organically, generating dividend growth. Dividend income has proved to be a substantial part of investors' historic returns and income distributed by the fund has increased year-on-year for 22 of the last 23 calendar years¹.

We've imposed a strict definition of risk, which is the threat of a permanent loss of capital. We've developed a framework around three types of risk: business, financial and price. This is the bedrock of our process. Over the past decade, the other main development has been the increased use of our 'suspect screen', which signals red flags that we might have missed. This screen enhances our sell discipline. So, our process is a balancing act between the value, financial, and quality exposures in the portfolio.

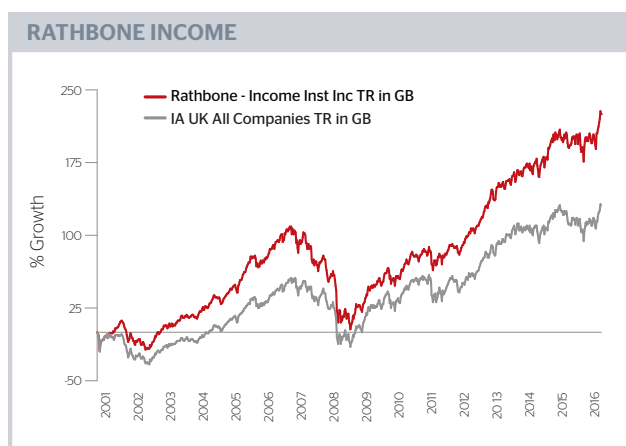
WHAT ARE WE DOING ON A STOCK LEVEL?

Most of our companies reported their first half earnings at the end of July/beginning of August. In many cases, our meetings following these results will be our first contact with management teams post-Brexit vote, and should provide a fascinating barometer of business confidence.

Specifically, we'll be gauging the willingness to invest and to recruit. We will be particularly intrigued by the health of our leisure and retail participants. Having voted to leave the EU, will UK consumers celebrate by spending money at home, or will the decision act as a brake on consumption?

We've been buying some Greene King (a pub and brewery company) and Halfords (a car parts and bicycles retailer). Shares in clothing retailer Next have sold off, but their market place is changing: Amazon will not go away, and the price of cotton is rising. Carnival is a lead player in the global cruise market, but how do we factor in the Zika virus or the threat of terrorism?

Financials are harder to crack. Sometimes we question whether we should ever invest in the banks and whether life insurers are just too difficult to fathom. But the dividends are attractive: HSBC yields 7%²; Lloyds Banking Group yields more than 5%³; and Legal & General has a 7% yield⁴. We should perhaps favour more 'secure' business models,



Source: FE Analytics 31/08/2001-26/08/2016

such as credit provider Provident Financial (4.5% yield⁵) and Saga (5% yield⁶). However we invest, we recognise that there are business and financial risks, especially in an uncertain economic environment. On a global level, we have become more confident with regard to pharmaceutical giants Roche and AstraZeneca, with the latter offering the potential for earnings growth through 2017.

The quality compounders have done the heavy lifting through the summer. RELX, British American Tobacco, Reckitt Benckiser, Unilever, and Bunzl hit all-time highs after the vote, as investors rushed for the quality life boats. But have these stocks now become too expensive? We're loath to reduce our exposure, but we may choose to be less tolerant of valuations elsewhere in the FTSE 100 if prices continue to rise.

OUTLOOK

We're feeling more optimistic now that the Brexit dust has settled, but this optimism has its foundation in our investment process rather than in any dramatic change in our views. There are still questions around the future of the EU, not to mention the even-more-monumental challenges that governments are facing: income inequality; mass migration; economic, social and political upheaval; terrorism; and political extremism to name but a few. Yet markets continue to pace higher.

Our intention, unsurprisingly, is to continue our focus on cash and dividends, and mitigate risk. Any volatility over the next 18 months will be our friend and we foresee there will be times when great companies are on sale.

THE CHELSEA VIEW:

"Carl Stick is one of the UK's longest-standing income managers, having run this fund since 2000. It is a solid fund that has been on the Chelsea Core Selection for well over 10 years and has consistently delivered strong performance."

¹ Rathbone Income annual distribution payments, Rathbone data, 1993-2015

²⁻⁶ Bloomberg, all yields as at 19 July 2016



C Spotlight on **Matthews Asia Pacific Tiger**

Elite Rated by FundCalibre



SHARAT SHROFF
Lead fund manager,
Matthews Asia Pacific Tiger

The Matthews Asia Pacific Tiger fund is run by a team of portfolio managers, supported by a broader 42-member investment division. Having joined Matthews Asia in 2005, I became the lead manager of the fund in 2008.

The fund seeks to invest in quality growth companies in the Asia ex-Japan region. Our goal is long-term capital appreciation without taking undue risk. Our disciplined process is anchored in an active, bottom-up approach to stock picking that is completely benchmark agnostic.

Quality of the underlying businesses is our first key focus. We need to understand

companies' business models and their growth potential. Importantly, we look for durability of growth rather than just the rate of growth.

Secondly, we consider the capability and transparency of the management team. And we consider valuations – how is risk being priced? With an investment horizon of at least three to five years, we aim to find companies that can deliver above-average growth across cycles.

PORTFOLIO CONSTRUCTION

The three main biases in our fund are an emphasis on quality, a focus on domestic growth and, resulting from the latter, significant exposure towards domestic demand. Small- and mid-cap stocks have been a fertile area of idea generation over the fund's history.

Currently, approximately 44% of the fund is invested in small and medium-sized companies¹. We believe this all-cap approach is one that differentiates the fund not only from its benchmark but also from its peers, many of whom have a greater focus on large and mega caps.

KEY THEMES

In Asia, household wealth creation has been a major theme for two decades, particularly in China. We've seen personal wealth grow uninterrupted since the 1997 Asian Financial Crisis. The rate might have accelerated or decelerated, but we do not see the trend as being altered.

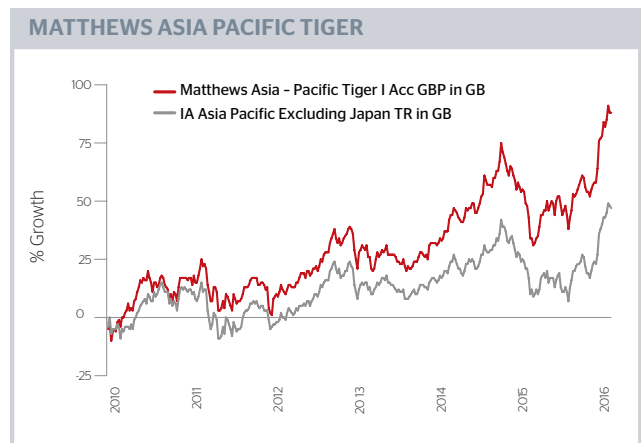
This growing middle class is increasingly an important driver of business activity in the region and source of new ideas for the portfolio. As increasing productivity eventually translates into higher wages, it is likely to foster growing consumption. By some estimates, Asia may account for nearly half of global middle class consumption by the end of the next two decades, and the majority of global middle class spending by 2050².

CURRENT POSITIONING

We focus on businesses that can generate sustainable, consistent growth and are not overly dependent on capital markets. Given the region's outlook for growing domestic demand, we're particularly attracted to service-oriented businesses in industries including consumer staples, healthcare and technology.

We also see financial services as providing long-term growth potential. Although it is still a somewhat alien concept today—most Asian entrepreneurs believe in looking after their own investments—the idea of getting financial advice could become its own industry in the next 10 years.

Another sector that provides some exposure to the financial theme is insurance, especially in parts of Asia such as China and Korea.



Source: FE Analytics 01/05/2010-26/08/2016

The idea of preserving the quality of life, and providing estate benefits to the next of kin, is starting to resonate with consumers. Combined with benefits from deregulation and better policies, insurance firms may stand to benefit from these structural trends.

We tend to shy away from more cyclical parts of the market such as energy companies and commodities, as well as short-lived trends. This approach has contributed to performance, while our emphasis on growth has helped the portfolio navigate recent bouts of volatility.

Investing in growth is a theme that has become more prevalent in recent years and has led to valuations in some parts of the market becoming stretched, particularly in the types of sectors and companies that we focus on. We address this by adopting a 'go anywhere' approach that allows us to seek the best combination of risk and reward across the spectrum of Asian capital markets, regardless of what the benchmark tells us.

ASIA OUTLOOK

It's interesting to see that, for a change, Asia—and more specifically the Chinese economy—is arguably not driving global economic uncertainty right now. While the next steps and the fallout from Britain's decision to leave the European Union remain unclear, the outlook for domestic demand in Asia is much more easily understood.

Countries such as India, Indonesia, and the Philippines have benefited significantly from growth in private consumption over the past two to three years, and continue to do so. While there is still much work to be done on structural reforms to boost productivity and ease the cost of doing business, progress is being made. Combined with the size of the opportunity in many of these countries, I believe that a reasonable allocation to the Asian region is likely to provide both growth and diversification to investor portfolios.

THE CHELSEA VIEW:

"This is the flagship fund of this extremely impressive specialist Asian manager. We like the fund's focus on the Asian consumer and its long-term approach, which has proved extremely successful over many years. This fund is a core Asian holding."

¹ As of 31 July 2016

² Organisation for Economic Co-operation and Development 2011, Perspectives on Global Development 2012: Social Cohesion in a Shifting World

the Chelsea Selection

AROUND 100 OF OUR TOP-RATED FUNDS, ORGANISED BY SECTOR

	Elite Rated	Chelsea Risk Rating	1 YEAR % Growth	1 YEAR Rank	3 YEAR % Growth	3 YEAR Rank	5 YEAR % Growth	5 YEAR Rank	10 YEAR % Growth	10 YEAR Rank	Yield %	Fund Size (m)
UK ALL COMPANIES												
Artemis UK Special Situations	🏆	6	10.88	131	21.66	113	72.93	105	102.78	58	2.10	1135.2
AXA Framlington UK Select Opportunities	🏆	6	6.48	202	20.50	119	66.47	125	111.32	45	2.15	3931.4
Franklin UK Managers' Focus		7	8.12	177	39.94	17	100.51	24	141.26	17	1.74	290
Franklin UK Mid Cap	🏆	6	-1.00	252	26.65	82	102.58	21	220.87	5	1.70	923.8
Investec UK Alpha	🏆	6	10.91	130	35.96	24	109.79	12	133.67	24	2.22	1164.4
JOHCM UK Dynamic	🏆	6	10.97	127	24.03	97	91.08	39	-	-	3.42	334.6
JOHCM UK Opportunities	🏆	5	17.59	14	32.48	41	81.92	69	140.06	18	2.79	1700.0
Jupiter UK Growth	🏆	7	-2.78	259	19.55	138	90.90	40	92.24	78	1.70	1475.5
L&G UK Alpha	🏆	8	11.02	125	29.06	63	49.03	202	206.82	8	-	166.9
CF Lindsell Train UK Equity	🏆	6.5	21.70	5	44.74	9	124.50	7	214.10	6	1.97	2887.5
Liontrust Special Situations	🏆	6	21.88	4	38.22	22	103.20	19	243.04	2	1.86	2041.3
Marlborough UK Multi-Cap Growth	🏆	7	16.11	22	42.59	13	98.20	29	166.79	10	1.22	119.2
Neptune UK Mid Cap	🏆	6	0.68	248	35.58	28	140.08	4	-	-	2.14	602.3
Old Mutual UK Alpha	🏆	7	7.72	181	12.94	222	68.30	120	39.28	181	3.48	2189.4
Old Mutual UK Dynamic Equity	🏆	7	13.00	73	52.62	4	159.84	1	-	-	-	388.2
Schroder Recovery	🏆	7.5	12.55	82	20.23	121	102.25	22	136.51	21	2.09	808.0
SECTOR AVERAGE			9.37	264	21.17	252	64.96	240	75.15	191	-	-
EQUITY INCOME												
Artemis Income	🏆	5	12	23	25	38	77	26	103	9	3.82	6482.1
Evenlode Income***	🏆	5	26	1 / 264	47	6 / 252	108	17 / 240	-	-	3.40	9340
Fidelity Enhanced Income	🏆	5	12	26	22	48	58	56	-	-	6.46	485.0
JOHCM UK Equity Income	🏆	6	8	56	20	55	81	14	116	6	4.29	2500.0
Marlborough Multi Cap Income	🏆	7	1	75	32	14	106	2	-	-	4.62	1486.7
Montanaro UK Income Seed	🏆	8	7	59	35	11	91	7	-	-	-	1450
Rathbone Income*** SPOTLIGHT	🏆	5	12	92 / 264	30	58 / 252	85	56 / 240	83	93 / 191	3.40	1291.5
Royal London UK Equity Income	🏆	5	16	9	36	7	106	3	131	3	3.77	1663.4
Standard Life Investments UK Equity Income Unconstrained	🏆	6	-0	77	28	30	94	6	-	-	3.73	1164.2
Threadneedle UK Equity Alpha Income	🏆	5	11	33	27	34	90	9	124	5	4.30	791.7
Woodford Equity Income	🏆	5	9	53	-	-	-	-	-	-	3.36	9524.1
SECTOR AVERAGE			10.21	78	24.32	73	69.66	67	74.57	45	-	-
UK SMALLER COMPANIES												
AXA Framlington UK Smaller Cos		8	6	21	55	5	131	6	130	23	0.99	2775
Franklin UK Smaller Companies	🏆	8	-	43	33	25	75	40	79	34	1.13	252.9
Liontrust UK Micro Cap		8	-	-	-	-	-	-	-	-	0.00	12.4
Livingbridge Wood Street Microcap Investment	🏆	8.5	4	30	52	8	135	5	-	-	0.70	59.2
Marlborough Special Situations	🏆	7.5	12	8	53	6	115	13	252	4	1.05	1079.3
Marlborough UK Micro Cap Growth	🏆	8	11	9	50	10	120	11	270	1	0.82	625.8
R&M UK Equity Smaller Companies	🏆	8	6	24	58	2	179	1	-	-	1.06	669.9
SECTOR AVERAGE			5.81	46	31.01	44	86.36	43	123.22	36	-	-
STERLING CORPORATE BOND												
Invesco Perpetual Corporate Bond	🏆	2	8	78	18	71	41	50	75	18	3.78	5380.3
Kames Investment Grade Bond	🏆	2.5	12	59	28	30	52	12	81	13	3.07	1330.0
Royal London Corporate Bond	🏆	2.5	13	43	29	18	52	15	71	22	3.47	933.9
SECTOR AVERAGE			12.64	89	24.45	82	41.79	72	62.10	55	-	-
STERLING HIGH YIELD												
Aviva Investors High Yield Bond 2 NEW ENTRY	🏆	3.5	7	9	23	2	53	2	-	-	5.10	197.4
Baillie Gifford High Yield Bond**	🏆	4	8	8	16	15	48	5	98	1	3.90	556.8
Kames High Yield Bond		3.5	5	22	14	17	38	13	87	3	4.41	1160.0
SECTOR AVERAGE			6.11	30	13.50	28	37.61	22	70.02	18	-	-
STERLING STRATEGIC BOND												
Artemis Strategic Bond		3	8	33	19	35	42	27	72	15	4.12	754.0
Baillie Gifford Corporate Bond	🏆	3.5	11	16	26	11	50	9	86	4	3.70	566.1
Fidelity Strategic Bond	🏆	2.5	8	31	20	30	38	35	89	3	2.50	1734.0
GAM Star Credit Opportunities NEW ENTRY	🏆	4	11	13	38	2	81	1	-	-	4.48	357.3
Henderson Strategic Bond	🏆	3	7	43	22	24	44	22	79	7	4.30	1678.0
Invesco Perpetual Monthly Income Plus	🏆	3.5	5	64	15	46	45	14	83	5	5.54	3506.2
Jupiter Strategic Bond	🏆	2.5	6	52	17	36	43	23	-	-	4.50	3012.2
Man GLG Strategic Bond	🏆	3	3	75	11	64	-	-	-	-	3.10	388.3
TwentyFour Dynamic Bond	🏆	3.5	3	71	20	33	49	11	-	-	4.63	1541.3
SECTOR AVERAGE			7.68	81	17.37	75	35.21	63	57.21	40	-	-
TARGETED ABSOLUTE RETURN												
Aviva Investors Multi Strategy Target Income 2		5	4	-	-	-	-	-	-	-	4.69	1570.6
BlackRock European Absolute Alpha	🏆	3.5	2	-	11	-	28	-	-	-	-	113.4
BlackRock UK Absolute Alpha	🏆	4	2	-	22	-	20	-	52	-	-	283.2
Henderson UK Absolute Return	🏆	4	5	-	20	-	41	-	-	-	0.30	1721.9
JPM Global Macro Opportunities NEW ENTRY	🏆	5	-3	-	33	-	-	-	-	-	0.42	631.9
Old Mutual Global Equity Absolute Return Hedged	🏆	5	3	-	16	-	33	-	-	-	-	5648.4
Premier Defensive Growth	🏆	3	1	-	8	-	19	-	-	-	0.05	379.1
Smith & Williamson Enterprise	🏆	5	0	-	17	-	33	-	107	-	-	119.7
SECTOR AVERAGE			0.93	-	8.14	-	15.67	-	38.35	-	-	-
EUROPE EXCLUDING UK												
Baring Europe Select***	🏆	8	28	4 / 22	53	6 / 19	125	4 / 19	220	3 / 14	1.40	1759.1
BlackRock Continental European	🏆	7	16	47	33	31	85	22	145	6	1.49	589.9
BlackRock Continental European Income	🏆	7	19	22	41	8	105	3	4.38	1491.1	-	-
BlackRock European Dynamic	🏆	7	18	24	41	9	99	6	207	3	1.31	2056.7
FP Argonaut European Alpha	🏆	8	2	103	29	44	64	57	108	18	0.86	367.0
FP CRUX European	🏆	7	-	-	-	-	-	-	-	-	-	25.6
GAM Star Continental European Equity NEW ENTRY	🏆	7	20	16	36	19	94	10	137	9	1.16	1079.3
Jupiter European	🏆	6.5	18	33	45	3	109	2	215	2	0.50	3908.6
Threadneedle European Select	🏆	7	18	26	33	28	86	20	144	7	1.00	3324.1
SECTOR AVERAGE			15.46	103	28.20	92	70.36	81	81.01	63	-	-

	Elite Rated ▲	Chelsea Risk Rating	1 YEAR % Growth	Rank	3 YEAR % Growth	Rank	5 YEAR % Growth	Rank	10 YEAR % Growth	Rank	Yield %	Fund Size (m)
NORTH AMERICA												
AXA Framlington American Growth	▲	7	18.24	107	54.65	51	110.33	62	206.45	3	-	589.8
Brown Advisory US Flexible Equity*	▲	7	9.30	204 / 207	-	-	-	-	-	-	-	118.5
CF Miton US Opportunities		7	29.12	44	58.87	37	-	-	-	-	-	200.0
Dodge & Cox US Stock		7	30.34	34	56.07	45	140.70	7	-	-	-	278.6
Fidelity American Special Situations		7	30.49	32	72.26	3	163.79	2	191.79	9	-	1107.8
Hermes US SMID Equity*** NEW ENTRY	▲	8	31.71	1 / 13	58.35	1 / 10	-	-	-	-	-	403.9
Legg Mason ClearBridge US Aggressive Growth	▲	7	18.61	106	45.67	83	122.19	39	161.59	27	-	1943.7
Neptune US Income		7	33.14	9	61.81	21	115.50	54	-	-	2.05	33.2
SECTOR AVERAGE			24.28	118	51.50	102	114.48	87	149.36	62	-	-
JAPAN												
Baillie Gifford Japanese	▲	10	31.39	7	49.09	10	107.46	2	106.92	4	0.74	1254.5
JPM Japan		10	27.85	10	56.91	5	80.36	14	60.57	18	0.08	206.4
Legg Mason IF Japan Equity		10	53.25	1	102.85	1	234.83	1	122.45	1	-	605.1
Man GLG Japan Core Alpha	▲	10	20.26	48	43.63	19	78.91	15	115.61	2	1.19	1440.6
Neptune Japan Opportunities	▲	10	-9.99	62	14.86	56	49.75	50	110.27	3	1.16	238.7
SECTOR AVERAGE			22.85	62	38.54	56	68.65	52	48.49	41	-	-
ASIA PACIFIC EXCLUDING JAPAN												
Invesco Perpetual Asian		8	42.08	2	44.04	22	57.81	15	195.07	13	1.02	651.5
JOHCM Asia ex Japan	▲	8	31.21	70	49.55	13	-	-	-	-	-	410.2
JOHCM Asia ex Japan Small and Mid Cap		9	27.87	84	63.53	2	-	-	-	-	-	67.7
Matthews Asia Pacific Tiger SPOTLIGHT	▲	8	41.35	5	55.77	7	65.24	8	-	-	-	282.4
Schroder Asian Alpha Plus	▲	8	33.84	49	37.29	35	61.94	11	-	-	1.14	563.8
Schroder Asian Income	▲	7.5	32.42	63	34.22	40	68.34	7	196.71	12	3.74	948.1
Stewart Investors Asia Pacific Leaders	▲	7.5	27.96	83	45.70	18	68.95	6	281.94	3	1.25	9624.5
SECTOR AVERAGE			32.71	97	31.96	89	41.69	77	152.07	53	-	-
GLOBAL EMERGING MARKETS**												
Aberdeen Latin American Equity	▲	10	48.47	-	3.44	-	-3.88	-	-	-	1.20	185.9
GS India Equity Portfolio	▲	10	32.30	-	158.03	-	119.22	-	-	-	-	1395.3
Invesco Perpetual Hong Kong & China	▲	10	29.08	26 / 36	39.32	12 / 33	76.85	1 / 29	224.68	4 / 15	1.23	376.4
Jupiter India		10	37.67	-	149.62	-	72.57	-	-	-	-	523.1
Lazard Emerging Markets	▲	10	34.66	27 / 82	18.90	53 / 72	22.43	32 / 61	125.69	5 / 31	2.10	861.2
M&G Global Emerging Markets	▲	10	33.88	30 / 82	17.22	56 / 72	20.16	38 / 61	-	-	1.34	1566.2
MI Somerset Emerging Markets Dividend Growth†	▲	9.5	21.09	79 / 82	23.90	37 / 72	37.39	9 / 61	-	-	2.00	1166.0
Newton Global Emerging Markets		10	36.30	16 / 82	42.46	3 / 72	48.88	3 / 61	-	-	0.43	75.7
Schroder Small Cap Discovery		10	27.30	-	45.98	-	-	-	-	-	1.30	153.5
GLOBAL												
Baillie Gifford Global Discovery	▲	8	18.31	186	43.99	68	134.92	5	240.64	-	-	239.6
Fidelity Global Special Situations		7	26.53	53	53.45	21	105.02	18	-	-	-	1874.0
Fundsmith Equity	▲	6	40.16	1	85.32	1	165.55	1	-	-	0.77	8174.5
JOHCM Global Select	▲	7	19.37	173	46.87	42	89.12	59	-	-	-	2200.0
Rathbone Global Opportunities	▲	6.5	21.87	137	54.36	19	98.61	32	160.89	15	0.20	825.8
SECTOR AVERAGE			20.43	253	33.44	227	67.91	198	91.73	134	-	-
GLOBAL EQUITY INCOME												
Artemis Global Income	▲	6.5	17.43	29	47.56	5	106.74	1	-	-	3.38	3130.2
Fidelity Global Dividend	▲	6	30.70	5	51.55	2	-	-	-	-	2.58	586.0
Fidelity Global Enhanced Income		5.5	30.39	7	-	-	-	-	-	-	3.46	154.4
Guinness Global Equity Income NEW ENTRY		6.5	31.34	4	43.43	8	93.85	4	-	-	-	164.3
M&G Global Dividend***	▲	6.5	26.49	55 / 253	26.16	185 / 227	69.72	134 / 198	-	-	3.00	5980.7
Newton Global Income	▲	6	35.37	1	52.43	1	96.14	3	176.39	1	2.94	5392.3
SECTOR AVERAGE			20.91	34	31.73	30	70.69	21	103.76	6	-	-
MISCELLANEOUS**												
Artemis Strategic Assets	▲	6	4.57	128 / 141	3.56	121 / 122	32.55	84 / 103	-	-	0.12	754.0
AXA Framlington Global Technology	▲	10	34.61	5 / 13	74.73	5 / 13	128.49	5 / 13	268.79	2 / 10	-	316.3
BlackRock Gold & General	▲	10	98.05	1991	-36.24	48.65	0.24	1331.0	-	-	-	-
F&C Real Estate Securities	▲	7	23.18	15 / 45	79.07	1 / 39	114.32	1 / 33	-	-	-	106.2
Guinness Global Energy		10	21.85	138 / 253	-12.81	225 / 227	-5.66	195 / 198	-	-	-	228.8
Henderson Cautious Managed	▲	3.5	8.23	104 / 140	16.22	94 / 115	46.32	29 / 100	68.15	14 / 42	3.10	2149.0
Jupiter Financial Opportunities		8	12.13	304.5	68.37	77.98	0.90	436.3	-	-	-	-
Legg Mason IF RARE Global Infrastructure Income NEW ENTRY		5	-	-	-	-	-	-	-	-	-	172.1
Polar Capital Biotechnology NEW ENTRY		10	1.83	-	-	-	-	-	-	-	-	62.2
Polar Capital Healthcare Opportunities	▲	8	2.84	-	78.15	-	213.86	-	-	-	-	686.8
Premier Pan European Property	▲	7.5	9.31	23 / 45	65.25	3 / 39	109.64	3 / 33	62.17	4 / 14	3.11	305.0
Standard Life Investments Emerging Market Debt	▲	4	27.71	14 / 41	42.41	9 / 34	-	-	-	-	4.10	175.8
VT UK Infrastructure Income NEW ENTRY		4	-	-	-	-	-	-	-	-	-	40.4

● = Funds featured in The Chelsea Core Selection – see pages 14-19.

▲ = Funds that are Elite Rated by FundCalibre – see fundcalibre.com for further details.

* This fund is domiciled offshore and therefore sits within a different sector. Please note different regulations may apply to funds with offshore status. Investors are not normally entitled to compensation through the UK Financial Services Compensation Scheme for offshore funds.

** Where there is multiple sector amalgamation, sector positions shown are within various different underlying sectors. Some funds aren't ranked as they are not comparable due to the diverse nature of the sector.

*** These funds fall within a different sector, hence the sector positions shown vary.

† This fund has a dilution levy of 0.4% when buying or selling.

‡ The history of this unit/share class has been extended, at FE's discretion, to give a sense of a longer track record of the fund as a whole.

Whilst every effort has been made to ensure the accuracy of this information, Chelsea Financial Services take no responsibility for any errors, omissions or inaccuracies contained therein. The funds within the Chelsea Selection are based on our proprietary research, which is both qualitative and quantitative. Please note this is not investment advice nor does it imply that you should invest in any of these funds. Please read the Important Notice on page 2. Past performance is not a guide to future returns. Correct at time of print, 01/09/2016, but subject to change. Source: FE Analytics, total return, IA universe, 01/09/2016. Yields as at 15/09/2016. FundCalibre is an appointed representative under Chelsea Financial Services.



Can gold keep shining?

Gold has been the place to be in 2016. In sterling terms, it is up 38%¹ on the back of Brexit, further rate cuts and ongoing monetary stimulus from central banks. Gold mining equities have risen 132%². We look at why investors may want to hold the precious metal.



Gold typically does well in times of social unrest, political uncertainty or market volatility. Suffice to say it has had a bumper year. However, an allocation to gold in your portfolio is about more than just profit. The precious metal is largely uncorrelated to equity and bond markets and this can make it a valuable diversifier.

In the current environment, this attribute may turn out to be particularly compelling. The years since the global financial crisis have seen central banks experiment on an unprecedented scale. They have used monetary policy tools including low or even negative interest rates and extensive quantitative easing (QE)—creating money and using it to buy their countries' government bonds—to try to boost investment, economic growth and inflation.

Unfortunately, in aggregate, this approach hasn't worked and the world's economy continues to struggle. What's more, central banks' actions have heavily distorted fixed interest markets, pushing up bond prices. The next logical step in the search for growth is to engage in fiscal, as opposed to monetary, stimulus. Governments can do this by borrowing, but it might also be done by central banks via 'helicopter money'. Similarly to QE, this would involve creating new money, but injecting it directly into the economy via infrastructure spending or possibly even tax breaks, instead of buying bonds.

Unlike QE, 'helicopter money' will not be easy to reverse, which is why it hasn't been

done yet. It's possible it could get out of control and lead to very high inflation. In this potential scenario, gold would have a crucial advantage: it can't be re-produced and its supply is finite.

SEEN AND UNFORESEEN UNREST

Social unrest seems to be rising around the world. Voters are becoming increasingly fed up with their leaders and political views are becoming more extreme. In the US, the Democrats and the Republicans have never been further apart, and the country is increasingly divided. No matter who wins the election, don't expect the losing side to go away quietly.

In Europe, the EU is looking fragile. Brexit may trigger further referendums and eurosceptic parties are gaining support. So far, stock markets have largely ignored these issues but this could change quickly. Gold could do well if the eurozone starts to fray, as concerns around the currency could trigger a flight to traditional 'safe haven' assets.

GOLD AS A DIVERSIFIER?

So what is the right role for gold in your portfolio? It's important to be clear on your goals, as well as when gold is likely to do well and when it won't, if you are considering buying. For example, investors should understand that if global growth normalises, interest rates rise and QE stops, gold would likely perform poorly for a period.

Gold's price is heavily dependent on

"In an increasingly uncertain world with a financial system which has openly been manipulated by central banks, investors may want to consider an allocation to gold or gold mining equities."

Senior Research Analyst, Chelsea

investor sentiment, which can change quickly. Somewhat counter-intuitively to its 'safe haven' reputation, it can also be viewed as a high-risk and volatile investment. Gold mining equities' performance can be even more exaggerated, in both directions. As evidenced by this year's spectacular recovery,

Additionally, while gold is 'uncorrelated' to equities, it is not 'negatively correlated'. What this means is that it doesn't necessarily move in the opposite way to stock markets, but rather that there is no strong relationship between the two. Gold can often fall when stock markets fall. Gold equities, of course, tend to be more correlated to the wider stock market than is the physical commodity.

Historically, though, gold has done well in times of extreme market stress - particularly from the point of view of a sterling investor. This is because the precious metal is priced in US currency, which, in itself, is viewed as another global 'safe haven'. So as the US dollar rises in value, UK investors get a double boon.

GOLD FUNDS

There are a number of funds available on our platform that invest in gold mining shares. These should all be considered very high-risk. The BlackRock Gold and General fund is on the Chelsea Selection and aims to invest in quality miners generating good free cashflow. Another option is the Smith & Williamson Global Gold & Resources fund, which invests in smaller, riskier miners that often have more potential on both the up and downside. Riskier still is the WAY Charteris Gold & Precious Metals fund. It predominately holds silver miners, which tend to be even more volatile than the gold. A relatively new fund is Old Mutual Gold and Silver. This fund will hold physical gold and silver (currently circa 19%) as well as gold and silver equities. Finally, Investec Global Gold is a long-standing fund with a strong track record over 25 years.

¹ FE Analytics, Bloomberg Gold Sub, total returns in GB pounds. 31/12/2015-02/09/2016. Data accessed 05/09/2016

² FE Analytics, MSCI ACWI Select Gold Miners IMI, total returns in GB pounds. 31/12/2015-02/09/2016. Data access 06/09/2016.

Clinton vs Trump:

Searching for US stock winners, whatever the outcome

Clinton's and Trump's campaigns may be worlds apart, but both candidates have grand plans to shake up the US economy. James Hackman, manager of the Neptune US Income fund, which is on the Chelsea Selection and in the Global Income EasyISA, offers his views on how the election could affect some key sectors.



JAMES HACKMAN
Fund manager, Neptune US Income, and Head of US Equities

While Brexit fallout continues, a vote of arguably even greater magnitude looms across the Atlantic. On 8 November, Donald Trump and Hillary Clinton will battle it out for the title of the 45th president of the United States of America.

Trump remains an outsider, with many doubting his ability to secure key swing states such as Florida and Pennsylvania. If our referendum taught us anything, however, it is to expect the unexpected - no matter what the polls or the bookmakers say.

In the immediate term, we do not believe there will be a major impact on economic fundamentals, regardless of the outcome. Over the longer term, however, certain sectors may incrementally benefit or suffer.

LONGER-TERM IMPLICATIONS FOR HEALTHCARE

One area that is always a big focus on both sides of the Democrat-Republican divide is healthcare, which is our second biggest sector weighting in the portfolio¹.

Whether Clinton or Trump win the election, certain healthcare stocks could come under pressure. Clinton historically hasn't been a friend of the pharmaceuticals sector and her comments on price controls last year led to a lot of selling. Trump is also committed to taking action on drug pricing. We anticipate more risk to the downside in the lead up to and after the election.

So what stocks do we like in this environment? Industry-leading companies that develop specialist treatments for diseases such as cancer are less likely to be impacted by drug controls, but companies involved in more generic areas are vulnerable. We are keeping an eye on attractive entry points for a number of high quality companies that have passed our screening model - particularly those that are insulated from drug pricing controls.

INCREASED REGULATION IN FINANCIAL SERVICES?

Both the Democrat and Republican platforms have spoken about increasing financial services regulation, in particular reinstating the Glass-Steagall Act (which included provisions separating commercial and investment banking). More regulation may have a negative impact on banks' shares. In addition, Democratic policies include a financial transaction tax, interchange fees, higher capital gains taxes and student loan moratoriums. Therefore a Democrat win could potentially hurt most financials, including regional banks, asset managers and student lenders. Due to the Democrat's healthcare policies, however, healthcare REITs could benefit.

TRUMP AND TRADE

A Trump presidency will likely stop new trade deals, but is unlikely to be able to renegotiate existing treaties. This may put US companies at a competitive disadvantage in the future if other countries secure better trade deals. Although Trump has not specifically proposed changes to the visas for outsourcing companies, his protectionist rhetoric suggests he would like to limit jobs for foreigners if US workers could do similar jobs. Trump would like US multinational companies to move production back to the US, but will find it hard to get them to do so without incentives. At this stage, we feel it is early days to speculate further on this front.



WHY INVEST IN THE US WITH NEPTUNE?

Traditionally seen as a growth market, the US tends to be overlooked when it comes to income funds. Yet we believe that the US is one of the stand-out equity income markets globally. Dividends have grown at more than 75% compound annual growth rate (CAGR) since 1999, versus just 3.5% CAGR in the UK².

In addition to running the Neptune US Income fund, I have recently taken over management of the Neptune US Opportunities fund, along with Patrick Close. Both funds seek to harness the power of compounding. The US Income fund invests in companies growing their dividend faster than the market, while the US Opportunities fund identifies 'quality compounders' - companies that we believe can deliver unusually high returns on capital and, crucially, can continue to do so sustainably in the future.

NEPTUNE US INCOME

- Offers potential for equity income and long-term growth
- Focuses on stocks with potential to grow their dividends
- Offers diversification from traditional equity income sources, such as the UK
- Pays out distributions four times a year

CHELSEA RISK RATING:	● 7
ANNUAL MANAGEMENT CHARGE (DISCOUNTED):	0.65%
ONGOING CHARGES FIGURE (OCF) (DISCOUNTED):	1.00%
EXPECTED YIELD:	2.01%*

THE CHELSEA VIEW:

"James has transformed this fund for the better since he took over in 2014. He avoids the dangerous high yielding stocks that may suffer dividend cuts and instead focuses on finding tomorrow's 'dividend aristocrats', stocks that will continue to pay a good and growing income for many years to come."

¹ As at 30 June 2016

² Neptune Research & Bloomberg, August 2016. US dividend growth calculated using the S&P 500 index, UK dividend growth calculated using the FTSE All Share index.

*Source: FE Analytics 06/09/2016

BEYOND

BREXIT

Remaining focused on valuations

Investors could be forgiven for being a bit confused following the Brexit vote. The UK's economic outlook has been downgraded, but the stock market soared after a sharp initial fall. Uncertainty is likely to prevail in the coming months. So what's the best investment approach? Keep calm and carry on, according to Nick KIRRAGE, who recently marked his 10-year anniversary co-managing the Schroder Recovery fund.



NICK KIRRAGE
Co-fund manager,
Schroder Recovery

Elite Rated by FundCalibre

Brexit is an important event that is already having an impact on the UK's wider economy, but it doesn't affect the way we run the Schroder Recovery fund. Our focus is on 'value investing', which means finding companies whose shares have taken a hit due to a temporary setback.

This could be a poor annual profit report or a balance sheet crisis, or it could be a macroeconomic event like Brexit, which may temporarily cause certain sectors or

companies to fall out of favour. The important thing is that we believe these companies have a bright future. We aim to buy shares at a vastly reduced price while others are jumping ship, and then hopefully enjoy a decent profit when the companies eventually pick themselves up.

The next few months or even years may be difficult ones in the UK. We will undoubtedly see volatility as Brexit negotiations get underway. However, it is our job to take advantage of that volatility and exploit the emotional reactions of the market by remaining focused on valuations.

WHICH COMPANIES DO WE LIKE RIGHT NOW?

We greatly favour banks at the moment (including the Royal Bank of Scotland, Barclays and HSBC), because even though they have struggled in recent years, we believe they have great potential.

Since the Brexit vote, we have topped up our investment in RBS. In the short term, the bank faces multiple headwinds from litigation to regulatory uncertainty, while low interest rates continue to hamper profitability. Despite these factors, we think it has been oversold considering other improvements in the business. It currently trades at just 0.6x its tangible book value - which in layman's terms means it is cheap.

RBS has undergone a dramatic de-risking over the past eight years, meaning it is now almost solely a UK and Ireland retail business. Government pressure will diminish as the taxpayers' stake is sold down. We believe the potential for long-term capital and dividend growth is significant for RBS.

SCHRODER RECOVERY

- Focus on individual companies and not the broader economy
- Contrarian approach to find businesses with long-term value potential
- A value fund that invests where others are afraid to go
- Looks outside the mainstream large-cap UK equities
- Holds around 20% in overseas equities

Anglo American is another example of a stock that has underperformed, but that we have invested in over the past year, believing it to have been significantly undervalued. The market sees Anglo's balance sheet as an issue, but on further analysis we think it is in a reasonable position to see the company through these tough times. Despite a rebound in recent months, the potential share price upside is still significant. As always, investors should keep in mind we mention these examples for illustrative purposes; they are not a recommendation to buy or sell.

THE LONG-TERM BENEFITS OF VALUE INVESTING

Value investing's major strength is its disciplined focus on buying attractively-valued, out-of-favour companies at all stages of the investment cycle. Put simply, the theory goes that if you buy something that's cheap, you've got a better chance of making money over the long term.

Of course, you will often hear about 'value traps', meaning stocks that are cheap for a reason and may never recover their value! Over ten years of running this fund, my co-manager Kevin Murphy and I have honed our in-depth analytical approach to identifying companies we believe truly have the best recovery potential.

We judge this by looking for a combination of triggers, including a robust strategy in place for turning around the business and a strong management team.

Value investing requires patience, as it takes time for a business to turn things around. It's not something that happens overnight, so it may suit investors with a similarly long-term horizon. The idea is that it could very much be worth the wait.

CHELSEA RISK RATING:	● 7.5
ANNUAL MANAGEMENT CHARGE:	0.75%
ONGOING CHARGES FIGURE (OCF):	0.92%
EXPECTED YIELD:	2.04%*

THE CHELSEA VIEW:

"A true value fund that stays faithful to its mandate. The academics say that value will outperform over the long term and this fund certainly has. This is a volatile fund, which is likely to be bottom of the rankings one year and top the next, but has delivered long-term outperformance for buy and hold investors."

*Source: FE Analytics 06/09/2016



Navigating opportunities and risks

Britain's largest companies have powered ahead since the Brexit vote, supported by their significant overseas earnings. Yet the domestic economy is also getting a boost from the Bank of England, which may be good news for medium and smaller businesses. So which part of the market looks the most compelling? The Franklin UK Managers' Focus, on the Chelsea Selection, is a best ideas fund that invests across the UK equity market-cap spectrum.



COLIN MORTON
Co-fund manager, Franklin UK Managers' Focus



PAUL SPENCER
Co-fund manager, Franklin UK Managers' Focus



RICHARD BULLAS
Co-fund manager, Franklin UK Managers' Focus



BEN RUSSON
Co-fund manager, Franklin UK Managers' Focus

THE IMPORTANCE OF DIVERSIFICATION

The wide range of possible outcomes makes portfolio positioning difficult in the short term, but does underline the importance of diversification. Franklin UK Managers' Focus brings together the experience of our entire UK equity team, meaning the fund gets the expertise of large-, mid- and small-cap specialists. Each manager is responsible for roughly a quarter of the portfolio, with each of us contributing our top stock ideas.

The result is a high-conviction portfolio invested across the full depth and breadth

of the UK market. We work as a close-knit unit, based at Franklin Templeton's office in Leeds. Each manager employs a pragmatic long-term investment approach with no deliberate bias to growth or value stocks. We invest in high quality companies with strong balance sheets, shareholder-friendly management and sustainable business models.

Investment decisions are based on rigorous in-house valuation and risk modelling, with careful analysis of the downside risk for each stock. Once we have chosen our stocks, the proposed portfolio is assessed to protect against any unintended biases or concentrations.

Although the result of the European Union referendum came as a surprise to markets, the initial volatility quickly gave way to a more considered approach. We think there's good reason to believe that, given time, markets will get through this period of uncertainty. That's not to say there won't be upheavals, shocks to the economy and a potential economic slowdown. But taking a long-term view, this may be a good buying opportunity in some of the hardest hit areas, if you're willing to be patient and take that risk on board.

LOWER FOR LONGER

In the lead up to the vote, the bookies' money was on a 'BRemain' scenario and more than a few economists were discussing the possibility of an interest rate rise. The situation has obviously since reversed and the Bank of England has now cut rates instead. Our longer-term predictions suggest a deflationary scenario is more likely, which could extend the low-rate environment further.

RECYCLING PROFIT FROM LARGE CAPS

Since the UK's vote to leave the EU, defensive stocks are looking fully-valued by historical standards. Given the interest rate cut, this could continue for some time. But there are a whole host of companies that are now looking undervalued too.

With the outperformance of large caps relative to mid and small caps, we have been recycling capital out of the larger, international stocks and reinvesting into mid-sized and smaller companies with more domestic exposure.

For example, we reduced our holdings in AstraZeneca and British American Tobacco and reinvested the proceeds in more domestically-focused stocks such as Bovis Homes, Dixons Carphone and Bodycote.

A PICK UP IN MERGERS AND ACQUISITIONS?

In the near term, one area we think will pick up is merger and acquisition activity. International buyers may now be looking for opportunities to acquire quality UK businesses at 'bargain prices' due to the fall in the pound. The most probable targets for such activity are likely to be small and medium-sized companies.

The largest deal since the vote has been SoftBank Group's takeover of UK chip designer ARM Holdings. There have also been a number of smaller deals, such as the takeovers of Odeon and Poundland, and we expect more to come.

FRANKLIN UK MANAGERS' FOCUS

- High-conviction, stock-picking fund of up to 50 stock holdings
- Each manager focuses on a specific market capitalisation
- Disciplined, common-sense approach to finding quality companies at attractive valuations
- Diverse portfolio structured to ensure complete UK market coverage
- Structurally overweight to small and medium-sized companies

CHELSEA RISK RATING:	● 7
ANNUAL MANAGEMENT CHARGE:	0.75%
ONGOING CHARGES FIGURE (OCF):	0.84%
EXPECTED YIELD:	1.72%*

THE CHELSEA VIEW:

"We think this fund has an excellent team. Paul Spencer's (Franklin UK Mid Cap) and Richard Bullas's (Franklin UK Smaller Companies) individual funds are also on the Chelsea Selection. We really like the fund's combination of best ideas from different parts of the UK market place and its performance has been excellent since launch."

*Source: FE Analytics 06/09/2016

Investing in entrepreneurial India

India overtook China as the world's fastest-growing economy in 2015 and is on track to maintain that position in 2016. The Goldman Sachs India Equity Portfolio, on the Chelsea Selection, aims to capture this growth potential and has returned 136% in sterling since launch in 2008, 62% more than its benchmark index¹. Its research team is based in Mumbai and has been led by fund manager Prashant Khemka since 2007.



PRASHANT KHEMKA
Fund manager, Goldman Sachs India Equity Portfolio

Elite Rated by FundCalibre

We believe India's macroeconomic outlook is one of the best in emerging markets, and is better now than at any time in the past five years. As a net importer of commodities, the country is poised to benefit from lower oil prices going forward. Other key positives include its low and manageable current account deficit, and its lowest fiscal deficit and inflation in many years. These factors help make India less susceptible to slower global and Chinese growth than many other economies.

WHY INVEST IN INDIA?

Beyond the macroeconomic environment, India is in the midst of a once-in-an-era transformation phase. It is predicted to have the potential to become the second-largest economy in the world in the coming decades². The country also has a staggering demographic advantage, with a young workforce likely to support domestic consumption over the long term.

In August, India's upper house of parliament passed a bill paving the way for a uniform goods and services tax, which could be the country's single most important structural reform in 25 years. An additional growth driver is the substantial investment in infrastructure that is already underway and gaining momentum.

WHERE ARE THE OPPORTUNITIES?

Over the many years we have been investing in India, our bottom-up approach has enabled us to identify compelling investment opportunities across sectors in all market environments. When we look for opportunities in India today, we like businesses poised to benefit from the domestic economic recovery, such as those in the industrials, cement and financials sectors. At the same time, given that India has a dynamic and entrepreneurial services industry, we do see some interesting opportunities in export-oriented sectors such as textiles, healthcare and IT.

One example is Muthoot Finance, the largest gold financing company in India; it disburses loans secured against gold jewellery. The company has a strong rural branch network and is well positioned to benefit from a pick-up in the rural economy following a normal monsoon season. The regulatory environment turning favourable and stable gold prices are additional drivers.

OUR INVESTMENT PROCESS

Our India equity research team comprises six analysts based in Mumbai. Each team member has deep expertise of the local market and an average of 13 years of experience investing in Indian equities.

We always look to invest in sound businesses trading at a substantial discount to intrinsic value. We start by evaluating the attractiveness of the industry a company is operating in. We then evaluate the quality of the business, competition and management. Company meetings are a crucial part of our process and our local presence enables us to conduct around 1,000 company meetings a year.

Finally, we look for companies where our estimate of value is significantly different from what the market has priced into the stock. We look beyond the traditional valuation metrics like price-to-earnings and pay close attention to cash flow-based metrics instead.

We offer meaningful exposure to mid- and small-sized companies, where inefficiencies tend to be high, giving them higher alpha potential. At the same time, our disciplined portfolio construction approach ensures unintended risks are minimised, leaving the majority of our risk stock-specific.

GOLDMAN SACHS INDIA EQUITY PORTFOLIO

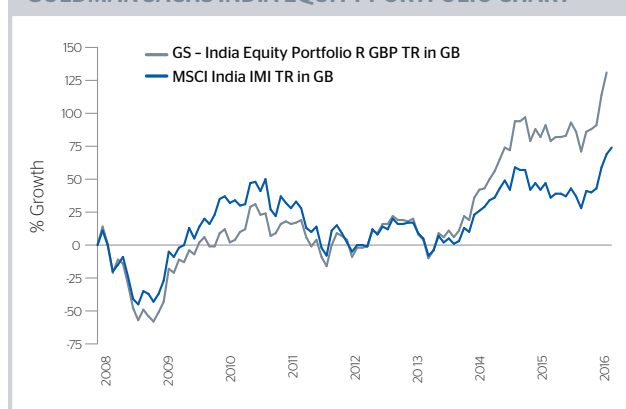
- Local presence, with experienced team based in Mumbai
- Rigorous bottom-up research process and strict valuation discipline
- Highly differentiated, active all-cap approach
- Compelling long-term track record relative to the benchmark and peers

CHELSEA RISK RATING:	■■■■■■● 10
ANNUAL MANAGEMENT CHARGE:	0.85%
ONGOING CHARGES FIGURE (OCF):	1.35%

THE CHELSEA VIEW:

"This is a very strong stock-picking fund that has consistently delivered excellent performance. We like the bias to mid- and small-cap stocks, which should enable investors to get the full benefit of any growth from the Indian economy."

GOLDMAN SACHS INDIA EQUITY PORTFOLIO CHART



Source: FE Analytics 12/09/2016

¹ FE Analytics, Goldman Sachs India Equity Portfolio & MSCI India IMI, TR in GB, 26/03/2008-10/08/2016, accessed 11/08/2016

² Pricewaterhouse Coopers, The World in 2050, February 2015

FundsUpdate

We bring you the latest updates on some widely-held funds, often where changes have taken place that we believe to be noteworthy.

Henderson UK Property

Chelsea Generic Rating: **BUY / HOLD / SWITCH**

Following a tumultuous market period post-referendum, the property sector was heavily hit. Fears around the security of the sector caused redemptions, which led many funds to adjust their prices downwards and some to close trading. Henderson UK Property Feeder was one of these. Although the fund is currently suspended from trading, we maintain our generic 'Buy' rating.

We met with the management team, who demonstrated some of the highest grade property in the sector, long-term leases with reliable tenants and low vacancies, providing considerable reassurance. Property remains an important diversification tool and we believe this fund provides one of the most secure portfolios of assets in the sector.

Newton Asian Income

Chelsea Generic Rating: **BUY / HOLD / SWITCH**

Since star fund manager Jason Pidcock moved to Jupiter, this fund has undergone a variety of changes. Newton initially moved to a team-led approach, before reverting back to a lead manager with Zoe Kan. Kan has been at Newton for 15 years and has worked on the fund since its inception in 2005. She will be supported by Rob Marshall-Lee and Caroline Keen, the fund's alternative managers. As well as a

change in leadership, the fund's strategy and constraints have been modified. The target number of holdings has reduced from 70 to 60 to allow for higher conviction, and the requirement for a stock's yield has fallen from 135% to 120% of the index. Due in part to these changes, we have downgraded the fund to a generic 'Hold' rating, with an eye on how performance is affected.

Allianz Emerging Markets Equity (Formerly Allianz BRIC Stars) Chelsea Generic Rating: **BUY / HOLD / SWITCH**

This fund was previously a pioneer of the BRIC (Brazil, Russia, India and China) story, but the political landscape and global macroeconomic backdrop have changed, making the mandate untenable. The fund has performed poorly and seen heavy redemptions. It has now changed direction and strategy, removing the need for 80% to be invested in the BRIC countries and investing

in other global emerging markets including Korea, Mexico and Indonesia. By doing this, the fund will naturally move away from the commodity tilt to a more consumer-led story. Kunal Ghosh continues to manage the fund, as he has done since October 2013. As the fund's original investment premise has changed, we have moved to a generic 'Switch' rating.

Log in to your FundStore account to access the Chelsea Fund Review for the full list of our generic buy/hold/switch ratings at chelseafs.co.uk

Chelsea offers an execution-only service. If you require individual investment guidance you should seek expert advice. Please see the important notice on page 2.

Would you **recommend** Chelsea?

Many of our clients come to us after being recommended by an existing client. We are pleased and grateful that people are so happy with our service they feel confident to recommend us to their friends and family.

If you recommend a friend (someone new to Chelsea) we will send them details of our services and we will send you:

- £50 worth of Marks & Spencer vouchers when they invest or transfer over £25,000
- £25 worth of Marks & Spencer vouchers when they invest or transfer over £5,000

Investments must be retained with us for at least 12 months. Terms and conditions apply. Just complete this form and return it to us. You can recommend as many people as you like - there's no limit.

YOUR DETAILS

Title:	First name:
Surname:	
Address:	
	Postcode:
Telephone:	

FRIEND'S DETAILS

Title:	First name:
Surname:	
Address:	
	Postcode:
Telephone:	

FRIEND'S DETAILS

Title:	First name:
Surname:	
Address:	
	Postcode:
Telephone:	



"I've been using Chelsea Financial Services happily for many years for my, and my family's, ISAs. Their system to buy and sell funds is very easy to use, and their research is invaluable to select, and de-select, funds. So it was very easy for me to decide to transfer my pension to them, which proved to be a stress-free and very professional process."

Mr Zaman, MIDDLESEX

"I am really happy with the excellent and personal service that I always receive from Chelsea, and I always find the Viewpoint an extremely informative read."

Mr Chris Bowden, WARWICKSHIRE

This form is to be used for Self-directed clients only, on Explicit Pricing. The ISA allowance for all investors is £15,240 for the 2016/2017 tax year.

CODE: CH.DTYISA2016

Please complete this application form using black ink and BLOCK CAPITALS and return to: Chelsea Financial Services, St James Hall, Moore Park Road, London SW6 2JS

Cofunds Intermediary Authorisation Code

7 7

1 Personal details (please complete this section in full)

Existing Cofunds Client Reference

Email

Mr/Mrs/Ms/Miss/Other

Permanent residential address

Surname

Full first name(s)

Telephone

Postcode

Male Female Date of Birth / / / / /

If at current address for less than two years, please supply previous address

National Insurance Number / / / /

If you **don't** have a National Insurance Number, please tick here

Please read the following sentence and confirm by ticking the box if applicable. If you can't confirm and tick the box, please complete the Individual FATCA Self-Certification Form that can be issued to you by your intermediary.

I confirm that I am solely UK resident for tax purposes and not a US citizen

If more than one previous address in the last two years, please provide full details including the time at each address on a separate sheet of paper and staple securely to this application form.

2 Funding your investment (tick all that apply)

Cheque(s) Amount £ for the **2016/2017** tax year

Cofunds Cash Account Amount £

Monthly Direct Debit (please ensure you complete the Investment by Direct Debit instruction on page 43)

Cheque payment

Cheques must either be drawn on your own account or a joint account. The cheque must be made payable to **Cofunds Limited**. For a Building Society cheque or banker's draft your name must appear on the front of the cheque, or on the back of the cheque accompanied by the Building Society's or bank's official stamp and signature.

3 Nominated bank account

Complete this section to set up a new nominated bank account. We'll use the details below to pay any future income/withdrawals to.

Name of account holder

Bank/Building Society Account Number

Branch Sort Code - -

Building Society Roll Number

4 Investment selection

For further details about the available funds, please refer to the Key Investor Information Documents (KIIDs) and/or Fund Key Features Document.

Fund name(s) or Easy ISA Portfolios	Type of unit/share (delete as appropriate) ¹	2016/2017 tax year	
		Lump sum (£50 minimum)	New monthly saving (£50 minimum) ²
<input type="checkbox"/> Cautious Growth EasyISA <input type="checkbox"/> Balanced Growth EasyISA <input type="checkbox"/> Aggressive Growth EasyISA <input type="checkbox"/> Income EasyISA (please complete income payment section overleaf) <input type="checkbox"/> Global Income EasyISA (please complete income payment section overleaf) (Tick one option only)		£	£
	ACC/INC	£	£
	ACC/INC	£	£
	ACC/INC	£	£
	ACC/INC	£	£
	ACC/INC	£	£
	ACC/INC	£	£
	ACC/INC	£	£
Cash Reserve		£	£
TOTAL AMOUNT		£	£

¹ACC/INC – if you don't specify ACC or INC in this column, and don't complete Section 5, Cofunds will invest into accumulation units/shares where available.

²New monthly saving – if you'd like to set up a new monthly saving, please ensure you attach a completed **Investment by Direct Debit** with this application.

5 Income (please tick one of the following options)

The option you choose will be applied to all income units/shares you hold within this product.

Retain in fund (default) – reinvest any income back into the fund

Consolidated monthly income – pay any income to my bank account on a monthly basis

Cofunds Cash Account – pay any income into my Cofunds Cash Account

If you already hold income units/shares within this product and you don't tick one of the boxes above, we'll apply your existing income option.

6 Service charge (for intermediary use only)

Service charge model name: STANDARD SELF-DIRECTED SEGMENT

Annual service charge: 0.40%* %

*This is an annual charge taken on a monthly basis

7 Declaration and authorisation

I declare that:

All investment subscriptions made now and in the future belong to me.

I am aged 18 years or over.

I have not subscribed, and will not subscribe, more than the overall subscription limit in total to a cash ISA, stocks and shares ISA and any other type of ISA in the same tax year.

I have not subscribed and will not subscribe to another stocks and shares ISA in the same tax year that I subscribe to this stocks and shares ISA.

I am resident in the United Kingdom for tax purposes, or, if not so resident, either perform duties which, by virtue of Section 28 of Income Tax (Earnings & Pensions) Act 2003 (Crown employees serving overseas), are treated as being performed in the United Kingdom, or I am married to or in a civil partnership with a person who performs such duties. I will inform Cofunds Limited if I cease to be so resident or to perform such duties, or be married to or in a civil partnership with a person who performs such duties.

I authorise Cofunds Limited to:

Hold my cash subscription, ISA investments, interest, dividends and any other rights or proceeds in respect of those investments and any other cash.

Make on my behalf any claims to relief from tax in respect of my ISA investments.

I confirm that:

I have viewed the Terms and Conditions of the Cofunds Platform (Self-directed Explicit Pricing) and by signing this application form I agree to be bound by them.

I have viewed the relevant product Key Features and Fund specific information and/or Key Investor Information Documents (KIID) relating to my investment.

A copy of the KIID can be found via the following link:

https://www.cofunds.co.uk/Investors/Reports_and_Accounts_Investors.aspx

I understand that there are fees (the Cofunds Platform Charges) for the use of Cofunds services. I authorise Cofunds to collect these fees from my Cofunds Cash Account.

If there is insufficient money in my account, I authorise Cofunds to sell enough of my platform assets to pay these fees in accordance with the 'Our Charges' section of the Terms and Conditions of the Cofunds Platform (Self-directed Explicit Pricing).

I understand that the Terms and Conditions of the Cofunds Platform (Self-directed Explicit Pricing) are the standard terms upon which Cofunds intends to rely, and it is important that I read and understand the terms before agreeing to be bound by them. If there is any term or point I do not understand or do not wish to be bound by, I understand that I can request further information before signing this application.

I understand that my signed application form (once accepted by Cofunds) together with the Terms and Conditions of the Cofunds Platform (Self-directed Explicit Pricing) form my customer agreement with Cofunds Limited.

I understand that the commencement of my ISA may be delayed or rejected if this application form is not complete in all respects.

You may undertake a search with a reference agency for the purposes of verifying my identity. To do so, the reference agency may check the details I supply against any particulars on any database (public or otherwise) to which they have access. They may also use my details in the future to assist other companies for verification purposes. A record of the search will be retained as an identity search. I declare that the information contained in this application form is correct to the best of my knowledge and belief.

I understand and accept that I am entitled to cancel my application in accordance with the Key Features applicable to the product I am investing in and that if I choose to cancel my application, my investment shall be subject to market movement during the period from the date when my application is processed to the date my investment is sold.

If you require a Fund prospectus, please contact your intermediary or Fund Manager directly.

If you wish to attend/vote at unit holder or shareholder meetings, please tick this box

If you wish to receive reports and accounts, you can download them free of charge at: https://www.cofunds.co.uk/Investors/Reports_and_Accounts_Investors.aspx

If you wish to receive paper copies of reports and accounts please speak to your intermediary.

You can also request to receive paper copies of reports and accounts by writing to us at Cofunds Limited, PO Box 1103, Chelmsford CM99 2XY.

Fund Sale Instruction

If a Fund Sale Instruction applies to the segment linked to my investment, I accept and agree that funds will be sold to settle any outstanding fees and charges which have accrued prior to this date and all fees and charges payable hereafter.

Data Protection

Cofunds Limited is a registered Data Controller and a fully owned subsidiary of Legal & General Group Plc. Cofunds Limited will use your information for the administration and servicing of your investments and all other related activities. We may disclose your information to other companies within the Legal & General group of companies, future owners of our business, and suppliers we engage to process data on our behalf for these purposes. We may also disclose your information to organisations for compliance with legal and regulatory requirements.

With the exception of the above provisions, we will not pass on your details to any other third party without your permission, but we will disclose information concerning your investment to your nominated intermediary.

Cofunds may transfer your information to countries outside of the EEA for the administration and servicing of your investments. In such cases, contracts will be put in place to ensure that the service providers protect your information in accordance with the requirements of the Data Protection Act or any legislation that may be enacted to replace that Act.

Service Charge

I confirm that I have received my Fees and Charges Schedule and understand which fees and charges are applicable to my investment. I instruct Cofunds to pay my intermediary (named above) the Service Charge specified in Section 4 of this form, and in my Fees and Charges Schedule, from my relevant Cofunds payment account.

I understand that Cofunds will accept authority from the primary holder only, in most circumstances. For trusts and Powers of Attorney more than one signature may be required.

If I have an active Sale for Regular Payment mandate, or the segment linked to my investment applies to a Fund Sale Instruction (as described in my Fees and Charges Schedule) and there is insufficient money within my relevant payment account, I authorise Cofunds to sell enough of my platform assets to pay the Service Charge in accordance with the relevant Terms and Conditions of the Cofunds Platform or Customer Agreement applicable to my investments/assets.

A copy of the relevant Terms and Conditions of the Cofunds Platform can be found at <https://www.cofunds.co.uk/web/platformterms.aspx>

Signature 

Date

This form will be returned if it's not signed and dated.

This form is to be used for Self-directed clients only, on Explicit pricing.

Please complete this Application Form using black ink and BLOCK CAPITALS and return to:
Chelsea Financial Services, St James Hall, Moore Park Road, London SW6 2JS

Cofunds Authorisation Code

7	7
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1 Personal Details (Please complete this section in full)

Existing Cofunds Client Reference

--	--	--	--	--	--	--	--

Permanent residential address
Postcode

If at current address for less than two years, please supply previous address
Postcode

Mr/Mrs/Ms/Miss/Other

Surname

Full first name(s)

Email

Telephone

Male Female Date of Birth

D	D	M	M	Y	Y	Y	Y		

National Insurance Number

--	--	--	--	--	--	--	--	--	--

If you don't have a National Insurance Number, please tick here.

If more than one previous address in the last two years, please provide full details including the time at each address on a separate sheet of paper and staple securely to this application form.

Please read the following sentence and confirm by ticking the box if applicable. I confirm that I am solely UK resident for tax purposes and not a US citizen.

If you can't confirm and tick the box, please complete the Individual FATCA Self-Certification form that can be issued to you by Chelsea.

2 Nominated bank account

Complete this section to set up a new nominated bank account. We'll use the details below to pay any future income/withdrawals to.

Name of account holder

Bank/Building Society Account Number

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

Branch Sort Code

			-				-			
--	--	--	---	--	--	--	---	--	--	--

Building Society Roll Number

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

3 Income

The option you choose will be applied to all income units/shares you hold within this product.

- Retain in fund (default)**
reinvest any income back into the fund
- Consolidated monthly income**
pay any income to my bank account on a monthly basis
- Cofunds Cash Account**
pay any income into my Cofunds Cash Account

If you already hold income units/shares within this product and you don't tick one of the boxes above, we'll apply your existing income option.

4 Service charge (for intermediary use only)

Service charge model name: STANDARD SELF-DIRECTED SEGMENT

Annual service charge*: 0.4%

*This is an annual charge taken on a monthly basis

5A. I declare that

I am aged 18 years or over.

The information contained in this application form is correct to the best of my knowledge and belief.

I have not received financial advice from a financial adviser in relation to this investment.

All investment subscriptions made now and in the future belong to me.

I am applying to subscribe to a stocks and shares ISA for the 2016/2017 tax year and each subsequent year until further notice.

I have not subscribed, and will not subscribe, more than the overall subscription limit in total to a cash ISA, stocks and shares ISA and any other type of ISA in the same tax year.

I have not subscribed and will not subscribe to another stocks and shares ISA in the same tax year that I subscribe to this stocks and shares ISA.

I am resident in the United Kingdom for tax purposes, or, either perform duties which, by virtue of Section 28 of Income Tax (Earnings & Pensions) Act 2003 (Crown employees serving overseas), are treated as being performed in the United Kingdom, or I am married to or in a civil partnership with a person who performs such duties. I will inform Cofunds Limited if I cease to be so resident or to perform such duties, or be married to or in a civil partnership with a person who performs such duties.

5B. I authorise Cofunds Limited to

Hold my cash subscription, ISA investments, interest, dividends and any other rights or proceeds in respect of those investments and any other cash.

Make on my behalf any claims to relief from tax in respect of my ISA investments.

If required, undertake searches with a reference agency for the purposes of verifying my identity. To do so, I understand that the reference agency may check the details I supply against any particulars on any database (public or otherwise) to which they have access. They may also use my details in the future to assist other companies for verification purposes. I understand that a record of the search will be retained as an identity search.

5C. I confirm that

I have viewed the Terms and Conditions of the Cofunds Platform (Self-directed) and by signing this application form I agree to be bound by them.

I have viewed the relevant product Key Features and fund specific information and/or Key Investor Information Documents (KIIDs) relating to my investment. A copy of the KIIDs can be found via the following link:

www.cofunds.co.uk/investorsreportsandaccounts

5D. I understand that

There are fees (the Cofunds Platform Charges) for the use of Cofunds services. I authorise Cofunds to collect these fees from my Cofunds Cash Account. If there is insufficient money in my account, I authorise Cofunds to sell enough of my platform assets to pay these fees in accordance with the 'Our charges' section of the Terms and Conditions of the Cofunds Platform (Self-directed).

The Terms and Conditions of the Cofunds Platform are the standard terms upon which Cofunds intends to rely, and it is important that I read and understand the terms before agreeing to be bound by them. If there is any term or point I do not understand or do not wish to be bound by, I understand that I can request further information before signing this application.

My signed application form (once accepted by Cofunds) together with the Terms and Conditions of the Cofunds Platform (Self-directed) form my Customer Agreement with Cofunds Limited.

The commencement of my ISA may be delayed or rejected if this application form is not complete in all respects.

I am entitled to cancel my application in accordance with the Investment ISA Key Features and that if I choose to cancel my application, my investment shall be subject to market movement during the period from the date when my application is processed to the date my investment is sold.

It's Cofunds normal business practice to process my conversion following receipt of my assets from my previous Fund/Plan Manager. The instruction to convert is then passed to the Fund/Plan Manager who will convert and confirm back to Cofunds upon completion. Cofunds upon receipt of confirmation will then reflect the change(s) to my accounts. This process is subject to change dependant on volumes and individual Fund/Plan Manager processing procedures. I authorise Cofunds to convert on my behalf as outlined above.

Cofunds will convert commission-included share class funds to their commission-free share class equivalent where available to my intermediary.

Cofunds will convert commission-free share class funds to commission-free exclusive share class funds where available to my intermediary.

Cofunds will convert any funds re-registered that are not available to me through my intermediary to the commission-free share class equivalent that is available to my intermediary.

5E. Fund Sale Instruction

If a Fund Sale Instruction applies to the segment linked to my investment, I accept and agree that funds will be sold to settle any outstanding fees and charges which have accrued prior to this date and all fees and charges payable hereafter.

5F. Service charge

I confirm that I have received my Fees and Charges Schedule and understand which fees and charges are applicable to my investment. I instruct Cofunds to pay my intermediary the service charge specified in Section 4 of this form, and in my Fees and Charges Schedule, from my relevant Cofunds payment account.

If I have an active Sale for Regular Payment, or the segment linked to my investment applies to a Fund Sale Instruction (as described in my Fees and Charges Schedule) and there is insufficient money within my relevant payment account, I authorise Cofunds to sell enough of my platform assets to pay the service charge in accordance with the relevant Terms and Conditions of the Cofunds Platform or Customer Agreement applicable to my investments/assets.

5G. Notes

If you require a Fund prospectus, please contact your intermediary or Fund Manager directly.

If you wish to attend/vote at unit holder or shareholder meetings, please tick this box

If you wish to download reports and accounts, you can do so at:

www.cofunds.co.uk/investorsreportsandaccounts

If you wish to receive paper copies of reports and accounts, product Key Features, other fund-specific information and/or KIIDs, please write to us at: Cofunds Limited, PO Box 1103, Chelmsford, CM99 2XY.

A copy of the Terms and Conditions can be found at:

www.cofunds.co.uk/selfdirectedterms

Number of attached Transfer Authority Forms

Signature  Date

ISA Transfer Authority

This transfer authority should only be used for either the transfer of a Stocks and Shares ISA or a cash ISA into a Cofunds Stocks and Shares ISA. Please note that a separate authority will be required for each Plan/Account Manager. If transferring from more than one Plan/Account Manager, please request more Transfer Authority Forms from your intermediary. Please ensure that you have signed both the Transfer Application Form and the Transfer Authority Form.

Existing Cofunds Client reference

I hereby instruct my current ISA Manager to either transfer my holdings to Cofunds Nominees Limited or liquidate the assets within my ISA with immediate effect, and forward the proceeds as specified below to my new Plan/Account Manager at **Cofunds Limited, PO Box 1103, Chelmsford CM99 2XY. This transfer should include, where relevant, all former ISA and PEP investments.** I confirm that the re-registration of the funds listed will not change the beneficial ownership from the current holder. I confirm that this transaction is exempt from SDRT by virtue of paragraph 6 of Schedule 19 of the Finance Act 1999.

Please complete all details requested

Name of Plan/Account Manager (from whom you wish to transfer)


Address

Postcode

Mr/Mrs/Ms/Miss/Other

Surname

Full First Name(s)

Signature  Date

1 Funds that you wish to keep via re-registration (stock transfer)

Please list all funds that you hold with the above Plan/Account Manager that you wish to retain when you transfer your investment to Cofunds. Please note that the funds you re-register will be moved into the clean share class.

Fund name	Account or plan numbers (this must be completed)	Type of unit/share (delete as appropriate)*
		ACC/INC
		ACC/INC
		ACC/INC
		ACC/INC
		ACC/INC

2 Funds that you wish to sell (stocks and shares cash transfer)

Please list all funds that you hold with the above Plan/Account Manager that you wish to sell and transfer the proceeds to Cofunds. Please also complete Section 3 (if applicable) and Section 4 to tell us which funds you wish to reinvest into. **Please ensure the funds you choose are available through Cofunds.**

Fund name	Account or plan numbers (this must be completed)

3 Cash ISA transfer

If applicable, please indicate either of the following to be transferred into your Cofunds stocks and shares ISA:

All my cash ISA **OR** An amount of my cash ISA £ . Sort Code - -

Is there any notice period for you to transfer your cash ISA? Days Account or plan numbers (this must be completed)

4 Transfer investment choices (please refer to the fund charge schedule and complete in full)

I wish to transfer the proceeds of my existing ISAs into the Chelsea EasyISA (please tick one of the portfolios below). Minimum Transfer of £2,100. See chelseafs.co.uk/products/isa/easy for details.

Existing Cofunds Client ref

See page 6-7 of your recent Viewpoint for details on the EasyISA portfolios.

Cautious Growth EasyISA	<input type="checkbox"/>
Balanced Growth EasyISA	<input type="checkbox"/>
Aggressive Growth EasyISA	<input type="checkbox"/>
Income EasyISA (please complete income section on previous page)	<input type="checkbox"/>
Global Income EasyISA (please complete income section on previous page)	<input type="checkbox"/>

Or select your own funds and complete this section below:

Fund name	Type of unit/share (delete as appropriate) ¹	Transfer %
	ACC/INC	
	ACC/INC	
	ACC/INC	
	ACC/INC	
	ACC/INC	
Cash Reserve (if required)		

Total 100%

¹ ACC/INC
If you do not specify ACC or INC in this column, and/or have not completed Section 3 of the Transfer Application form, Cofunds will invest into accumulation units/shares where available.

The disclosure documentation applicable to this transaction is: **0 4 1 5 S D E**

Cofunds Authorisation Code

7 7

This form is to be used for Self-directed Explicit Pricing clients only.

For Key Features of the Cofunds platform and/or Key Investor Information Documents please refer to your personal disclosure at chelseafs.co.uk/pd or telephone us for a copy.

Please complete this application form using black ink in BLOCK CAPITALS and return to: Chelsea Financial Services, St James Hall, Moore Park Road, London SW6 2JS

1 Personal/Company Details (Please complete this section in full)

Personal/Company Investor(s) primary holder. Please see Section 3 to add additional holders.

Existing Cofunds Client Reference

I have not received advice from a financial adviser in relation to this investment.

Mr/Mrs/Ms/Miss/Other

Surname

Full first name(s)

or company name

Telephone

Email

Male Female Date of Birth / / ---

D D M M Y Y Y Y

If more than one previous address in the last two years, please provide full details including the time at each address on a separate sheet of paper and staple securely to this application form.

For corporate investors please ensure you have completed all the signatory requirements in Section 9.

Please read the following sentence and confirm by ticking the box if applicable. I confirm that I am solely UK resident for tax purposes and not a US citizen.

If you can't confirm and tick the box, please complete the Individual FATCA Self-Certification form that can be issued to you by Chelsea.

Current permanent residential address (if registering in the name of a company, please provide the company address here)

Postcode

Time at this address yrs mths

If at current address for less than two years, please supply previous address and time there

Postcode

Time at this address yrs mths

1A. THIRD PARTY DETAILS (PLEASE COMPLETE IF RELEVANT)

Please complete this section if the person funding all or part of this investment is not the applicant listed in Section 1. A Confirmation of Verification of Identity (CVI) will also be required.

Mr/Mrs/Ms/Miss/Other

Surname

Full first name(s)

Date of Birth / / ---

D D M M Y Y Y Y

Current permanent residential address

Postcode

2 Designations (You can designate an account here using a maximum of eight alphanumeric characters)

If you wish to specify a unique designation for this account, please ensure that the designation reference does not make a meaningful word. Only the named applicants of this investment will be recognised as beneficial owners. If this section is not completed we will not designate this account. If you are funding this investment from a Cofunds Cash Account please ensure this designation is identical to that of the Cofunds Cash Account.

3 Joint Holders

Please include the full name and address of each holder. All correspondence will be sent to the primary holder. Joint holders must have the same investment service as the primary holder.

Second named holder

Mr/Mrs/Ms/Miss/Other
Surname
Full first name(s)
Current permanent residential address
Postcode
Time at this address <input type="text"/> <input type="text"/> yrs <input type="text"/> <input type="text"/> mths

Male Female Date of Birth / /

If at current address for less than two years, please supply previous address and time there

Postcode
Time at this address <input type="text"/> <input type="text"/> yrs <input type="text"/> <input type="text"/> mths

If more than one previous address in the last two years, please provide full details including the time at each address on a separate sheet of paper and staple securely to this application form.

Third named holder

Mr/Mrs/Ms/Miss/Other
Surname
Full first name(s)
Current permanent residential address
Postcode
Time at this address <input type="text"/> <input type="text"/> yrs <input type="text"/> <input type="text"/> mths

Male Female Date of Birth / /

If at current address for less than two years, please supply previous address and time there

Postcode
Time at this address <input type="text"/> <input type="text"/> yrs <input type="text"/> <input type="text"/> mths

If more than one previous address in the last two years, please provide full details including the time at each address on a separate sheet of paper and staple securely to this application form.

4 Funding your investment

I will be funding my investment by (tick all that apply)

<input type="checkbox"/>	Cheque	£ <input type="text"/> . <input type="text"/>	Amount
<input type="checkbox"/>	Cofunds Cash Account	£ <input type="text"/> . <input type="text"/>	Amount

Monthly Direct Debit (please ensure you complete the Investment by Direct Debit instruction on page 43)

5 Nominated Bank Account

Complete this section if you have not provided us with your nominated bank account details. Please note: you will need to verify this bank account before it can be used in conjunction with your Cofunds account. If you are paying by cheque then no action is required. For all other funding options you can send a void signed cheque or a bank statement issued within the last three months with this application. If you are an existing customer, only complete this section if you would like to change your nominated bank account details. Any change to your nominated bank account will not be applied to your regular monthly investments. You can only have one nominated bank account at any given time.

Name of account holder
Bank or Building Society name and address
Postcode

Branch Sort Code - -

Bank/Building Society account number

Building Society Roll Number

6 Income

Complete this section if you have requested income units/shares ('INC'). The option you choose will be applied to all income units/shares you hold within this product.

Note: If you are taking regular withdrawals from your cash account you may only select the 'Cofunds Cash Account' or 'Retain in fund' options.

If you have selected the option to 'Retain in fund' this will only be applied to the commission-free share classes you hold, any commission-included share classes you hold will continue to pay income in accordance with your previous instruction.

Consolidated monthly income
Income generated from your investment funds will be consolidated into your cash account and paid to your nominated bank account on a monthly basis.

Cofunds Cash Account
Income generated will be paid into your cash account to be held on platform for withdrawals, future investment or charges.

Retain in fund
Income generated from this investment will be retained in the fund.

If you do not already hold income units/shares within this product and you do not tick one of these boxes we will select the 'Retain in fund' option by default. If you already hold income units/shares within this product and you do not tick one of these boxes we will apply your existing income option to all funds within this product.

7 Investment Selection

Minimum investment £50 per fund (lump sum) or £50 per month per fund (monthly savings). For further details about the available funds, please refer to the Key Investor Information Documents (KIID) and/or Fund Key Features Document.

Please ensure the funds are available through Cofunds. You can only choose commission-free share class funds. If you do not indicate the share class, we'll select the commission-free share class fund, where available.

Please note: if your intermediary has agreed exclusive share classes with a fund manager for your selected funds, we'll always invest in that exclusive share class and not the share class you've selected below.

Fund name	Type of unit/share (delete as appropriate)*	Lump sum (£50 minimum)	New monthly saving (£50 minimum)**
	ACC/INC	£	£
	ACC/INC	£	£
	ACC/INC	£	£
	ACC/INC	£	£
	ACC/INC	£	£
	ACC/INC	£	£
TOTAL INVESTMENT AMOUNT		£	£

***ACC/INC**
If you do not specify ACC or INC in this column, and have not completed Section 6, Cofunds will invest into accumulation units/shares where available.

Cheque payment
Cheques must either be drawn on your own account, joint account or the account of the person detailed in Section 1A (third party details). The cheque must be made payable to **Cofunds Limited**. For a Building Society cheque or banker's draft your name must appear on the front of the cheque, or on the back of the cheque accompanied by the Building Society's or Bank's official stamp and signature. For other methods of funding your investment please see Section 4.

**** New monthly saving**
For monthly savings we will automatically collect on or just after the 25th day of each month. For applications received up until the last day in any month, the first Direct Debit collection will be made on or just after the 25th day of the following month. Please ensure you attach a completed **Investment by Direct Debit** with this application (p43).

8 Service Charge (To be completed by the intermediary)

Service Charge model name: STANDARD SELF-DIRECTED SEGMENT	Annual Service Charge*: 0.40%	*This is an annual charge taken on a monthly basis.
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9 Declaration and Authorisation

I confirm that:
I have not received investment advice from Chelsea for this transaction.
I have viewed the Terms & Conditions of the Cofunds Platform (Self-directed Explicit Pricing) and by signing this application form I agree to be bound by them.
I have viewed the relevant product key features and fund specific information and/or Key Investor Information Documents (KIID) relating to my investment. A copy of the KIID can be found via the following link:
https://www.cofunds.co.uk/Investors/Reports_and_Accounts_Investors.aspx
I understand that there are fees (the Cofunds Platform Charges) for the use of Cofunds services. I authorise Cofunds to collect these fees from my Cofunds Cash Account. If there is insufficient money in my account, I authorise Cofunds to sell enough of my Platform Assets to pay these fees in accordance with the 'Our Charges' section of the Terms & Conditions of the Cofunds Platform (Self-directed Explicit Pricing).
I understand that the Terms & Conditions of the Cofunds Platform (Self-directed Explicit Pricing) are the standard terms upon which Cofunds intends to rely, and it is important that I read and understand the terms before agreeing to be bound by them. If there is any term or point I do not understand or do not wish to be bound by, I understand that I can request further information before signing this application.
I understand that my signed application form (once accepted by Cofunds) together with the Terms & Conditions of the Cofunds Platform (Self-directed Explicit Pricing) form my customer agreement with Cofunds Limited.
I understand that instructions may be delayed or rejected if this application form is not complete in all respects.
You may undertake a search with a reference agency for the purposes of verifying my identity. To do so, the reference agency may check the details I supply against any particulars on any database (public or otherwise) to which they have access. They may also use my details in the future to assist other companies for verification purposes. A record of the search will be retained as an identity search.
I declare that the information contained in this application form is correct to the best of my knowledge and belief.
I am aged 18 or over.
I understand and accept that I am entitled to cancel my application in accordance with the relevant Key Features applicable to the product I am investing in and that if I chose to cancel my application, my investment shall be subject to market movement during the period from the date when my application is processed to the date my investment is sold.

Fund Sale Instruction
If a Fund Sale Instruction applies to the segment linked to my investment, I accept and agree that funds will be sold to settle any outstanding fees and charges which have accrued prior to this date and all fees and charges payable hereafter.
Please note that all joint holders must sign this application
Where there are two signatories for a corporate investor, please delete reference to primary and second holder.

Data Protection
Cofunds is a registered Data Controller and a fully owned subsidiary of Legal & General Group Plc.
Cofunds Limited will use your information for the administration and servicing of your investments and all other related activities. We may disclose your information to our agents and service providers for these purposes. We may also disclose your information to organisations for compliance with legal and regulatory requirements.
With the exception of the above provisions, we will not pass on your details to any other third party without your permission, but we will disclose information concerning your investment to your nominated intermediary.
Cofunds may transfer your information to countries outside the EEA for the servicing of your investments. In such cases, contracts will be put in place to ensure that the service providers protect your information in accordance with the requirements of the Data Protection Act.
If you require a fund prospectus, please contact your intermediary or Fund Manager directly.

Service Charge
I confirm that I have received my Fees and Charges Schedule and understand which fees and charges are applicable to my investment. I hereby instruct Cofunds to pay my intermediary the Service Charge specified in Section 8 of this form and in my Fees and Charges Schedule from my relevant payment account.
Cofunds will accept authority from the primary holder only, in most circumstances. For trusts and Powers of Attorney more than one signature may be required.
If I have an active Sale for Regular Payment mandate or the segment linked to my investment applies to a Fund Sale Instruction (please check with Chelsea if you're not sure) and there is insufficient money within the relevant payment account, I authorise Cofunds to sell enough of my platform assets to pay the Service Charge in accordance with the relevant Terms and Conditions of the Cofunds Platform or Customer Agreement applicable to my investments/assets.

Primary holder signature 	Date
Capacity (if applicable)	
Second holder signature	Date
Capacity (if applicable)	
Third holder signature	Date
Capacity (if applicable)	

If you are completing this as a company you must include a copy of the Articles of Association.

This form is to be used for Self-directed clients only, on Explicit Pricing.

The Junior Investment ISA allowance for all investors is £4,080 for the 2016/2017 tax year. For Key Features of the Cofunds platform and/or Key Investor Information Documents please refer to your personal disclosure at chelseafs.co.uk/pd or telephone us for a copy.

Please complete this application form using black ink and BLOCK CAPITALS and return to: Chelsea Financial Services, St James Hall, Moore Park Road, London SW6 2JS

Cofunds Intermediary Authorisation Code

7 7

1 Child details (please complete this section in full)

Existing Cofunds Client Reference

Mr/Mrs/Miss/Other

Surname

Full first name(s)

Male Female Date of Birth / / - - - -

D D M M Y Y Y Y

I have not received advice from a financial advisor in relation to this investment.

Permanent residential address

Postcode

National Insurance Number / / / /

If the child **doesn't** have a National Insurance Number, please tick here

2 Applicant details – Registered Contact* (please complete this section in full)

Existing Cofunds Client Reference

Mr/Mrs/Ms/Miss/Other

Surname

Full first name(s)

Telephone

Email

Permanent residential address

Postcode

*The Registered Contact is a person with parental responsibility, or the child aged 16-18, if they so wish.

Date of Birth / / - - - -

D D M M Y Y Y Y

3 Third party details (please complete this section if you're not the child or Registered Contact but are funding the Junior Investment ISA)

Existing Cofunds Client Reference (if applicable)

Mr/Mrs/Ms/Miss/Other

Surname

Full first name(s)

Telephone

Date of Birth / / - - - -

D D M M Y Y Y Y

Permanent residential address

Postcode

Relationship to applicant

4 Funding your investment (tick all that apply)

Cheque(s) Amount £

Monthly Direct Debit (please ensure the person funding the investment completes the Investment by Direct Debit instruction on page 43)

The subscribed is a gift to the child and can't be repaid to the subscriber if at a later date they change their mind.

Cheque payment

Cheques must either be drawn on your own account or joint account. Please make the cheque payable to **Cofunds Limited**. For a Building Society cheque or banker's draft your name must appear on the front of the cheque, or on the back of the cheque accompanied by the Building Society's or bank's official stamp and signature.

5 Investment selection

For further details about the available funds, please refer to the Key Investor Information Documents (KIID)s and/or Fund Key Features Document.

Fund name(s) or Junior EasyISA portfolio	Type of unit/share (delete as appropriate) ¹	Lump sum (£50 minimum)	New monthly saving (£50 minimum) ²
<input type="checkbox"/> Core Equity Portfolio <input type="checkbox"/> Balanced Equity Portfolio <input type="checkbox"/> Aggressive Equity Portfolio		£	£
	ACC/INC	£	£
	ACC/INC	£	£
	ACC/INC	£	£
	ACC/INC	£	£
	ACC/INC	£	£
	ACC/INC	£	£
Cash Reserve		£	£
TOTAL AMOUNT		£	£

¹ACC/INC – if you don't specify ACC or INC in this column, Cofunds will invest into accumulation units/shares where available.

²New monthly saving – if you'd like to set up a new monthly saving, please ensure you attach a completed **Investment by Direct Debit** with this application.

6 Income

- Retain in fund**
Income generated from this investment will be retained in the fund. We don't pay income from a Junior Investment ISA.

7 Declaration and authorisation

7A. I declare that

I am aged 16 years or over.

The information contained in this application form is correct to the best of my knowledge and belief.

I am the child/I have parental responsibility for the child.

I/The child does not have a Child Trust Fund account.

I will be the Registered Contact for this Junior Investment ISA.

I have not received financial advice from Chelsea in relation to this investment.

The child will be the beneficial owner of the investments.

The child is resident in the UK, or is a UK Crown servant, a dependant of a UK Crown servant or is married to/in a civil partnership with a UK Crown servant.

I am applying to subscribe to a stocks and shares Junior Investment ISA for the child for the 2016/2017 tax year and each subsequent year until further notice.

I have not subscribed and will not subscribe to another stocks and shares Junior Investment ISA for this child.

I am not aware that this child has another stocks and shares Junior Investment ISA within this tax year.

I am not aware of other Junior Investment ISA subscriptions that will result in this child exceeding the annual limit.

I will not knowingly make subscriptions to Junior Investment ISAs for this child that will result in the subscription limit being exceeded.

7B. I authorise Cofunds Limited to

Hold my the child's subscriptions, Junior Investment ISA investments, interest, dividends and any other rights or proceeds in respect of those investments and any other cash.

Make on the child's behalf any claims to relief from tax in respect of my Junior Investment ISA investments.

7C. I confirm that

I have viewed the Terms and Conditions of the Cofunds Junior Investment ISA and by signing this application form I agree to be bound by them.

I have viewed the relevant product Key Features and fund specific information and/or Key Investor Information Documents (KIID)s relating to my investment. A copy of the KIID)s can be found via the following link: www.cofunds.co.uk/investorsreportsandaccounts

7D. I understand that

The Terms and Conditions of the Cofunds Junior Investment ISA are the standard terms upon which Cofunds intends to rely, and it is important that I read and understand the terms before agreeing to be bound by them. If there is any term or point I do not understand or do not wish to be bound by, I understand that I can request further information before signing this application.

My signed application form (once accepted by Cofunds) together with the Terms and Conditions of the Cofunds Junior Investment ISA form my Customer Agreement with Cofunds Limited.

The commencement of my Junior Investment ISA may be delayed or rejected if this application form is not complete in all respects.

I am entitled to cancel my application in accordance with the Junior Investment ISA Key Features and that if I choose to cancel my application, my investment shall be subject to market movement during the period from the date when my application is processed to the date my investment is sold.

7E. Notes

If you require a Fund prospectus, please contact your intermediary or Fund Manager directly.

If you wish to attend/vote at unit holder or shareholder meetings, please tick this box

If you wish to download reports and accounts, you can do so at:

www.cofunds.co.uk/investorsreportsandaccounts

If you wish to receive paper copies of reports and accounts, product Key Features, other fund-specific information and/or KIID)s, please write to us at:
Cofunds Limited, PO Box 1103, Chelmsford, CM99 2XY.

A copy of the Terms and Conditions can be found at: www.cofunds.co.uk/juniorisaterms

If you provide your email address and telephone number on this form, Chelsea will keep a record of it. Chelsea may use it occasionally about products and services which may be of interest to you. However, if you prefer not to receive such information you may withdraw your consent by contacting Chelsea on 0207 384 7300.

Applicant signature (Registered Contact) 	Date
------------------------------------------------------------------------------------------------------------------------------	------

This form will be returned if it's not signed and dated.

Issued and approved by Cofunds Limited, One Coleman Street, London, EC2R 5AA.

Registered in England and Wales No. 3965289. Authorised and regulated by the Financial Conduct Authority (FCA) under FCA Registration No. 194734.

JCA51SDUB 12/15

The disclosure documentation applicable to this transaction is:

J I S A 0 4 1 5 S D E

Cofunds Intermediary
Authorisation Code

7 7

This form is to be used for Self-directed clients only, on Explicit Pricing.

This application form is to be used to transfer assets/money from an existing Child Trust Fund (CTF) to a Cofunds Junior Investment ISA. On receipt of any assets re-registered from your previous provider it will be Cofunds normal business practice (and by signing this application, you agree to such practice) to convert to the commission-free share class equivalent available to your intermediary. If a commission-free share class is not available, we will be unable to transfer the assets to Cofunds.

The Junior Investment ISA allowance is £4,080 for the 2016/2017 tax year. The minimum investment in to a Cofunds Junior Investment ISA is £500.

Please complete this application form using black ink and BLOCK CAPITALS and return to: Chelsea Financial Services, St James Hall, Moore Park Road, London SW6 2JS.

1 Child Details (Please complete this section in full)

Existing Cofunds Client Reference

I have not received advice from a financial adviser in relation to this investment.

Mr/Mrs/Miss/Other

Surname

Full first name(s)

Current permanent residential address

Postcode

Male Female Date of Birth / /

2 Applicant Details – Registered Contact* (Please complete this section in full)

Existing Cofunds Client Reference

Mr/Mrs/Ms/Miss/Other

Surname

Full first name(s)

Telephone number

Email

Current permanent residential address

Postcode

**The registered contact is a person with parental responsibility, or the child aged 16-18, if they so wish.*

3 Income

Retain in fund - Income generated from this investment will be retained in the fund. We don't pay income from a Junior ISA

4 Declaration and Authorisation

I declare that:

I am 16 years of age or over.

I am the child /I have parental responsibility for that child.

I am the Registered Contact for the Junior Investment ISA.

I authorise Cofunds to:

Hold the child's subscriptions, Junior Investment ISA, interest, dividends and any other rights or proceeds in respect of those investments and cash, and;

Make on behalf of the child any claims to relief from tax in respect of Junior Investment ISA.

Make on behalf of the child any claims to relief from tax in respect of Junior Investment ISA.

I confirm that:

I have not received investment advice from Chelsea for this transaction

I have viewed the Terms and Conditions of the Cofunds Junior Investment ISA (Self-directed Explicit Pricing) and by signing this application form I agree to be bound by them.

I have viewed the relevant product Key Features and Fund specific information and/or Key Investor Information Documents (KIID) relating to my investment.

A copy of the KIID can be found via the following link (if you have difficulty locating your fund, please contact your intermediary):

https://www.cofunds.co.uk/Investors/Reports_and_Accounts_Investors.aspx

I understand that it's Cofunds normal business practice to process my conversion following receipt of my assets from my previous Fund/Plan Manager. The instruction to convert is then passed to the Fund/Plan Manager who will convert and confirm back to Cofunds upon completion. Cofunds upon receipt of confirmation will then reflect the change(s) to my accounts. This process is subject to change dependant on volumes and individual Fund/Plan Manager processing procedures. I authorise Cofunds to convert on my behalf as outlined above.

I understand that Cofunds will convert commission-included share class funds to their commission-free share class equivalent where available to my intermediary.

I understand that Cofunds will convert commission-free share class funds to commission-free exclusive share class funds where available to my intermediary.

I understand that the Terms and Conditions of the Cofunds Junior Investment ISA (Self-directed Explicit Pricing) are the standard terms upon which Cofunds intends to rely, and it is important that I read and understand the terms before agreeing to be bound by them. If there is any term or point I do not understand or do not wish to be bound by, I understand that I can request further information before signing this application.

I understand that my signed application form (once accepted by Cofunds) together with the Terms and Conditions of the Cofunds Junior Investment ISA (Self-directed Explicit Pricing) form my customer agreement with Cofunds Limited.

I understand and accept that I am entitled to cancel my application in accordance with the Key Features of the Cofunds Junior Investment ISA and that if I chose to cancel my application, my investment shall be subject to market movement during the period from the date when my application is processed to the date my investment is sold.

Data Protection

Cofunds Limited is a registered Data Controller and a fully owned subsidiary of Legal & General Group Plc. Cofunds Limited will use your information for the administration and servicing of your investments and all other related activities.

We may disclose your information to other companies within the Legal & General group of companies, future owners of our business, and suppliers we engage to process data on our behalf for these purposes. We may also disclose your information to organisations for compliance with legal and regulatory requirements.

With the exception of the above provisions, we will not pass on your details to any other third party without your permission.

Cofunds may transfer your information to countries outside of the EEA for the administration and servicing of your investments. In such cases, contracts will be put in place to ensure that the service providers protect your information in accordance with the requirements of the Data Protection Act or any legislation that may be enacted to replace that Act.

If you require a Fund prospectus, please contact your intermediary or Fund Manager directly.

If you wish to attend/vote at unit holder or shareholder meetings, please tick this box

If you wish to receive reports and accounts, you can download them free of charge at:

https://www.cofunds.co.uk/Investors/Reports_and_Accounts_Investors.aspx

If you wish to receive paper copies of reports and accounts please speak to your intermediary.

You can also request to receive paper copies of reports and accounts by writing to us at Cofunds Limited, PO Box 1103, Chelmsford CM99 2XY.

Signature Date

Please note: this form will be returned if it's not signed and dated.

Child Trust Fund to Junior Investment ISA Transfer Authority

This form is to be used for Self-directed clients only, on Explicit Pricing.

This transfer authority should only be used to transfer a Child Trust Fund (CTF) into a Cofunds Junior Investment ISA.

Existing Cofunds Client reference

I hereby instruct my current Child Trust Fund provider to either transfer my holdings to Cofunds Nominees Limited or liquidate the assets within my Child Trust Fund with immediate effect, and forward the proceeds as specified below to my new Plan/Account Manager at Cofunds Limited, PO Box 1103, Chelmsford CM99 2XY. I confirm that the re-registration of the funds listed will not change the beneficial ownership from the current holder. I confirm that this transaction is exempt from SDRT by virtue of paragraph 6 of Schedule 19 of the Finance Act 1999.

Please complete all details requested

Name of existing Child Trust Fund provider

Address

Postcode

Type of Child Trust Fund with current provider to be transferred:

Cash

Stocks and Shares

Stakeholder CTF

CTF Unique Reference Number

1 Child Details (Please complete this section in full)

Existing Cofunds Client Reference

I apply to open a Junior Investment ISA for

Mr/Mrs/Miss/Other

Surname

Full first name(s)

Male Female Date of Birth

Current permanent residential address

Postcode

National Insurance Number

If the child does not have a National Insurance Number, please tick here.

2 Applicant Details – Registered Contact* (Please complete this section in full)

Existing Cofunds Client Reference

Mr/Mrs/Ms/Miss/Other

Surname

Full first name(s)

Telephone number

Email

Current permanent residential address

Postcode

*The registered contact is a person with parental responsibility, or the child aged 16-18, if they so wish.

Signature  Date

2A. TRANSFERRING A STAKEHOLDER CTF (Only complete if relevant)

The following stakeholder CTF features will **NOT** be included in a Junior ISA:

- Lifestyling from age 15
- Minimum subscriptions of £10 allowed
- Annual charge cap of 1.5%

I confirm that I understand the above and wish to proceed.

3 Funds that you wish to KEEP via re-registration (Stock transfer)

Please list full names of the funds that you hold with the Child Trust Fund provider, that you wish to keep when you transfer your investment to Cofunds.
Please ensure the funds you choose are available on Cofunds. All funds held in the CTF must be transferred to a Cofunds Junior Investment ISA at the same time.

Fund Name(s)	CTF A/C or Plan Nos. (This must be completed)	Type of Unit/Share (delete as appropriate)*
		ACC/INC
		ACC/INC
		ACC/INC
		ACC/INC
		ACC/INC

*If you do not specify ACC or INC in this column, Cofunds will not be able to process your application.

4 Funds that you wish to SELL (cash transfer) Please also complete section 6

Please list full names of the funds you'd like to sell and transfer the proceeds to Cofunds.

Fund Name(s)	CTF A/C or plan nos. (This must be completed)

5 Declaration and Authorisation

I declare that:

I am the Registered Contact for the Child Trust Fund.
I am the child /I have parental responsibility for that child.

I authorise my existing Child Trust Fund provider (as specified above) to:

Transfer the Child Trust Fund which the Unique Reference Number listed refers to, to Cofunds.

Provide Cofunds with any information, written or non-written, concerning the Child Trust Fund and to accept any instruction from them relating to the Child Trust Fund being transferred.

I authorise Cofunds to:

Hold the child's subscriptions, Junior Investment ISA, interest, dividends and any other rights or proceeds in respect of those investments and cash, and;

Make on behalf of the child any claims to relief from tax in respect of Junior Investment ISA.

I understand:

Where I must give notice to close or transfer part of the existing Child Trust Fund, or the existing Child Trust Fund contains an investment which is designed and intended to be held for full terms and has yet to reach redemption, I instruct my existing Child Trust Fund provider to either (please tick one box):

- Wait for the full notice to end, or wait until redemption (whichever is relevant) before going ahead with this transfer.
- Carry out the transfer as soon as possible, depending on the terms and conditions. I accept any consequential loss of income, capital or charges that may be applied.

Applicant's Signature	Date
-----------------------	------

(Registered Contact)

6 Transfer Investment Choices - Junior ISA

I wish to transfer the proceeds of any investments sold, in accordance with the Transfer Authority into the following investments, within a Cofunds Junior Investment ISA.
See page 10 of your recent Viewpoint for details of the Junior EasyISA.

Fund Name(s) or Junior EasyISA portfolio	Type of Unit/Share (delete as appropriate)	Transfer %
<input type="checkbox"/> Core Equity Portfolio <input type="checkbox"/> Balanced Equity Portfolio <input type="checkbox"/> Aggressive Equity Portfolio (Tick one option only)	ACC/INC	
	ACC/INC	
	ACC/INC	
	ACC/INC	
	ACC/INC	
	ACC/INC	

Re-registration form

THE EASY WAY TO CONSOLIDATE YOUR PORTFOLIO

The Chelsea **FundStore**

Move all your fund investments to ONE account. This will reduce the amount of paperwork you currently receive, provide you with ONE valuation statement twice yearly, and give you the information necessary to CONTROL your portfolio.

Please list below all your ISA and/or unit trust/OEIC investments that were purchased outside Cofunds and return to Chelsea. We can then print the necessary transfer forms and send them to you for your review and signature.

Personal Details - Please complete this section in full and in block capital letters

Full name of unit holder(s) Title

Current address

Postcode

e-mail address Male Female

Date of birth National Insurance number

Daytime telephone Existing Cofunds number (if applicable)

ISA investments - Please complete in block capital letters

Fund Provider	Fund Name	Account Number/ Plan Reference	Unit Type ACC/INC	Tick if current tax year	Tick if saving monthly
SAMPLE FUND MANAGERS LIMITED	SAMPLE HIGH INCOME FUND	12345	INC		

Unit Trusts/OEICs outside an ISA wrapper - Please complete in block capital letters

Fund Provider	Fund Name	Account Number/ Plan Reference	Account designation (if applicable)	No of Units	Unit Type ACC/INC
SAMPLE FUND MANAGERS LIMITED	SAMPLE UK GROWTH FUND	56789		ALL	ACC

Please photocopy this form if you require additional space.

Issued by Chelsea Financial Services, which is authorised and regulated by the Financial Services Authority.
Registered Office: St James' Hall, Moore Park Road, London SW6 2JS. Registered in England No. 1728085.

CFSFLF 08.03



Instruction to your Bank or Building Society to pay Direct Debits



6 0 0 2 6 7

Name and full postal address of your Bank or Building Society

To the Manager	Bank or Building Society
Address	
Postcode	

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

For Cofunds LTD official use only
This is not part of the instruction to your bank or building society.

Name(s) of Account Holder(s)

Bank/Building Society Account Number

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

Branch Sort Code

			-				-			
--	--	--	---	--	--	--	---	--	--	--

Banks and Building Societies may not accept Direct Debit instructions from some types of account.

Instruction to your Bank or Building Society
Please pay Cofunds Limited Direct Debits from the account detailed in this instruction subject to the safeguards assured by the Direct Debit Guarantee. I understand that this instruction may remain with Cofunds Limited and, if so, details will be passed on electronically to my Bank/Building Society.

Signature	Date
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This Guarantee should be detached and retained by the payer.

The Direct Debit Guarantee

- This Guarantee is offered by all Banks and Building Societies that accept instructions to pay Direct Debits
- If there are any changes to the amount, date or frequency of your Direct Debit Cofunds Ltd will notify you five working days in advance of your account being debited or as otherwise agreed. If you request Cofunds Ltd to collect a payment, confirmation of the amount and date will be given to you at the time of the request
- If an error is made in the payment of your Direct Debit, by Cofunds Ltd or your Bank or Building Society, you are entitled to a full and immediate refund of the amount paid from your Bank or Building Society
 - If you receive a refund you are not entitled to, you must pay it back when Cofunds Ltd asks you to
- You can cancel a Direct Debit at any time by simply contacting your Bank or Building Society. Written confirmation may be required. Please also notify us.



We're here to help

We're proud to offer our clients a very personal service.

Unlike others, we're not 'online only'.

And we haven't 'outsourced our customer support function'.

We have a team in our office in Chelsea.

And we'd be pleased to help.

So if you need a little extra help or guidance, you can call us on **020 7384 7300** or email us at **info@chelseafs.co.uk**

Follow us:

 www.chelseafs.co.uk

 youtube.com/chelseafstv

 [@DariusMcDermott](https://twitter.com/DariusMcDermott)

 www.facebook.com/InvestChelsea

 **CHELSEA**
Investment Intelligence™

